Austria ... Sch 18	Indonesia ... Rp 2500	Portugal ... Esc 80
Bahrain ... Din 0.650	Italy ... L 1200	S. Arabia ... Rs 8.00
Belgium ... BFr 38	Japan ... Y550	Singapore ... S$4.10
Canada ... C$1.00	Jordan ... Fils 500	Spain ... Pta 100
Cyprus ... C£0.60	Lebanon ... L£6.00	Sri Lanka ... Rup 20
Denmark ... DKr 7.25	Lebanon ... L£6.00	Sweden ... Skr 6.50
Egypt ... E£1.00	Luxembourg ... LFr 38	Switzerland ... SFr 2.00
Finland ... Fmk 5.50	Malaysia ... Rgt 4.25	Taiwan ... NT$35
France ... FFr 6.00	Mexico ... Pes. 300	Tunisia ... Din 0.650
Germany ... DM 2.20	Morocco ... Dir 6.00	Turkey ... L 180
Greece ... Dr 62	Netherlands ... Fl 2.50	
Hong Kong ... HK$ 12	Norway ... Nkr. 8.00	U.A.E. ... Dh 6.50
India ... Rup. 15	Philippines ... Pes. 20	U.S.A. ... $1.50

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EUROPE'S BUSINESS NEWSPAPER

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Bonn plans reduction in scale of state ownership, Page 2

NEWS SUMMARY

GENERAL

Pretoria arrests union leader

South African authorities tightened their clampdown on opponents of government policy with the arrest of a leading trade unionist and a prominent student leader.

Police arrested Mr Piroshaw Camay, general secretary of the 150,000-strong Council of Unions of South Africa, a predominantly black group, and Miss Kate Philip, president of the National Union of South African Students, which represents white English language campuses.

A wave of arrests of union organisers and dissidents have followed last week's two-day strike by black workers in the Transvaal, which paralysed many industries around Johannesburg and left 22 dead. **Feature, Page 18; Details, Page 20**

Arms control call

West Germany and Italy issued a joint appeal for U.S. President Ronald Reagan to move swiftly to offer the Soviet Union a new arms control initiative. **Page 20**

Mayor killed

Mayor Cesar Climaco, one of the Philippines' best known opposition figures, was shot dead by a gunman. **Page 5**

ETA talks

Spain's Socialist Government held indirect talks with the leader of the Basque separatist group ETA, with a view to negotiating an end to the 16-year-old guerrilla war, the leading Spanish newspaper El Pais said.

Gonzalez denial

Spanish Prime Minister Felipe Gonzalez denied in parliament that he had received money from Flick, the West German industrial holding company under investigation in Bonn, or from any other foreign organisation.

Nicaragua move

Nicaragua sent military reinforcements to northern provinces near the border with Honduras from where Sandinista leaders say the U.S. could launch an invasion. **Page 3**

Italy defence plan

Italy is considering setting up a rapid deployment force to combat what it sees as an increased threat on its southern Mediterranean flank, according to Chief of General Staff, Lt General Lamberto Bartolucci.

Building collapses

A five-storey Soviet apartment block in the Urals city of Sverdlovsk collapsed just before the first occupants moved in because it was shoddily built.

Butter for Soviets

French communist businessman Jean-Baptiste Doumeng won a $200m contract to sell 200,000 tonnes of EEC butter to the Soviet Union.

Bolivia strike

Bolivia's Workers' Confederation called an indefinite general strike to force the Government to find a solution to the country's economic problems.

Picasso sold

Picasso's Femme Assise au Chapeau was sold for $4.3m to a private collector bidding on the telephone at Christie's Auction House in New York.

Satellite rescued

U.S. space shuttle Discovery recovered a second wayward satellite.

BUSINESS

Hoechst 9-month profits up 60%

HOECHST, West German chemicals and pharmaceuticals group, increased its nine-month pre-tax profits to DM 2.12bn ($721m), 60 per cent up on the corresponding period last year, as sales soared in domestic and foreign markets. **Lex, Page 20, details, Page 22**

WALL STREET: the Dow Jones industrial average closed up 0.33 at 1,206.93. **Section III**

LONDON equities lost some of their sparkle but, with gilts, recovered steadily from early losses. The FT Industrial Ordinary index closed a net 0.6 lower at 923.7. **Section III**

TOKYO stocks were slightly higher with continued interest in incentive-backed issues. The Nikkei-Dow market average gained 55.74 to 11,320.90. **Section III**

DOLLAR was firmer in London, rising to DM 2.971 (DM 2.94), FFr 9.115 (FFr 9.025), SwFr 2.4475 (SwFr 2.414) and Y242.35 (Y240.35). On Bank of England figures its trade-weighted index rose to 138.8 from 137.8. **Page 4**

STERLING lost ground against the dollar in London, falling 1.15 cents to $1.2605. It also fell to FFr 11.4825 (FFr 11.49) and Y305.5 (Y305.75), but was unchanged at DM 3.7425 and rose to SwFr 3.0825 (SwFr 3.0675). Its exchange rate index fell 0.3 to 76.5. **Page 41**

GOLD fell $4 to $345.75 on the London bullion market. It also dropped in Frankfurt to $346.25 and in Zurich to $346.00. **Page 40**

GREECE announced it is to buy 40 French-made Mirage 2000 jets and 40 U.S.-manufactured F-16s in a deal estimated to be worth a total of $2bn. Full contract details have yet to be finalised.

WASHINGTON state is being sued for $7.25bn by a committee representing investors who bought $2.5bn worth of municipal bonds issued to help to pay for two cancelled Washington Public Power Supply System nuclear power stations. **Page 42**

COMMERCIAL UNION, British composite insurer, reported a pretax loss of £30.6m ($38.3m) for the first nine months. General Accident barely scraped a £5.5m profit for the same period. **Page 24; Lex, Page 20**

AMERICAN EXPRESS added $200m in new capital to its troubled Fireman's Fund insurance unit, apparently after pressure from state insurance commissioners in the U.S. **Page 21**

FRENCH bank Credit Chimique has launched the first unit trust devoted to investment in Ecu-denominated bonds. **Page 42**

PARIS bourse unveiled plans for a domestic bonds futures market which could open next year. It is designed to counter volatile interest rates and accommodate the market's rapid growth.

DOME Petroleum of Canada lost C$4.2m (U.S.$3.2m) in the third quarter, bringing its deficit so far this year to C$105.4m, and may delay the C$350m equity issue required by its debt rescheduling agreement. **Page 21**

CASINO, French retail and restaurant group, paid $118.7m for the California-based cash and carry group Smart and Final Iris. **Page 22**

R. H. MACY, U.S. department stores group, suffered a sharp downturn in first-quarter earnings from $42.9m to $31.4m in line with other retailers. **Page 21**

TALKS on possible co-operation between Sumitomo Bank and Daiwa Securities have begun out speculation that Japan's three other big securities dealers, Yamaichi, Nikko and Nomura, are considering similar links. **Page 20**

Peugeot asks for FFr 2bn state aid to develop model

BY PAUL BETTS IN PARIS

PEUGEOT, the privately owned car group, is seeking FFr 2bn ($222m) in low-interest loans from the French Government next year to help to finance the development of a mini car.

M Jacques Calvet, chairman of the loss making group, has asked for state credits carrying a 9.25 per cent interest rate from the special fund for modernisation of French industry, called FIM (Fonds Industrial de Modernisation), which was set up by the Socialist Government to support technological modernisation programmes by French enterprises.

Peugeot is seeking the loans to finance modernisation of its large Citroën factory at Aulnay-sous-Bois, on the outskirts of Paris, so it can produce the new Citroën ZA. The FFr 2bn would cover about 70 per cent of the total investment to launch the car.

Peugeot has already received about FFr 700m in FIM loans this year to help it modernise its Talbot car plant at Poissy, also near Paris, for the production of a medium-range model due to replace the Talbot Horizon.

Renault, the French state-owned car group which also has serious financial problems, received FFr 750m last year from the FIM fund.

Renault, French state-owned car group, was reported to be negotiating a major co-operation deal with the Soviet Union. Page 20

Renault is also expected to ask for low-interest loans from the state.

These low-interest loans would be additional to the capital funds the state traditionally advances to Renault. These capital endowment funds totalled FFr 1.2bn this year and could increase to at least FFr 2bn next year.

Peugeot has traditionally adopted an extremely cautious approach to direct state support because of fears thet it could undermine the private character of the group. The FIM loans, however, are not seen as threatening in any way the private autonomy of the group, and are a financial mechanism which a recent government-sponsored report on the French car industry encouraged.

M Calvet believes traditional French Government aids to the motor industry should be equitably distributed between the two car groups.

While Renault is suffering from heavy losses this year (it reported a deficit of FFr 3.6bn for the first half), the situation at Peugeot is improving. M Calvet again confirmed that the group should report substantially lower losses this year than last year's FFr 2.59bn deficit.

M Calvet also said that Peugeot's target was to balance its accounts next year.

The new Peugeot chairman suggested that if the group did not return to profit or break even next year, he would have to draw the personal consequences of such a setback. This remark reflects M Calvet's determination to impose on himself the same target which M Laurent Fabius, the Socialist Prime Minister, has imposed on the heads of the large nationalised industrial groups.

While Peugeot's problems are far from resolved – the group expects it will have to continue making large job cuts in the next three or four years – the group has seen its share of the French market rise to 35 per cent last month, compared with 30 per cent for Renault.

Citroën sales rose 3.8 per cent in October compared with the same month last year. Sales of the Peugeot marque rose by 36.4 per cent last month because of the continued success of the Peugeot 205 supermini. Talbot sales in France again plunged by nearly 50 per cent.

Camdessus takes over at Bank of France

BY DAVID MARSH IN PARIS

M MICHEL CAMDESSUS, former director of the French Treasury, will take over from today as Governor of the Bank of France after the departure yesterday of M Renaud de La Genière, who held the job for five years.

The shake-up removes from the scene a key figure in the economic policy transition between the previous right-wing government and the Socialist administration.

The monetarist-leaning M de la Genière, appointed by M Raymond Barre in 1979, has played a discreet but often unpopular role over the last three years in steering the Socialists towards economic orthodoxy.

M de La Genière has voiced private disagreement with M Pierre Beregovoy, the Finance Minister, in recent weeks over the risks of letting interest rates drop too quickly. His departure, however, comes at a time of general accord between the Government and the traditionally subservient Bank of France over the need to maintain tough anti-inflation policy. M de La Genière agreed with M Beregovoy on his successor.

M Camdessus, who was with the Treasury for 16 years, the last 2½ as director, before taking over the post of First Deputy Governor at the Bank in August, is well known and respected in international financial circles.

In his previous job as head of the Paris Club of creditor nations carrying out rescheduling for debt-ridden developing countries, as well as in meetings at the EEC, the International Monetary Fund and the Organisation for Economic Co-operation and Development, M Camdessus has had considerable experience in representing France abroad.

While agreeing with M de La Genière on the need for monetary restraint, M Camdessus is likely to adopt a less fiercely independent style.

The former governor, whose departure was rumoured frequently during the Socialists' first year in office, used his rare public declarations in recent years to press the case for a tough budgetary policy, phasing out of controls over the banking system and a trimming of subsidised credits.

In May 1981, after President François Mitterrand's election victory, M de La Genière, initially favoured pulling the franc out of the European Monetary System.

M de La Genière has got on less well personally with M Beregovoy than his predecessor, M Jacques Delors, but ironically the new Finance Minister has in the last few weeks started to dismantle important financial controls – including the *encadrement* credit ceilings.

Philip Stephens writes from London: European Community governments have endorsed Onno Ruding, the Dutch Finance Minister, as their candidate for the chairmanship of the International Monetary Fund's (IMF) policy making Interim Committee.

The present chairman, Mr Willy de Clercq of Belgium, plans to resign in early January when he joins the European Commission

Men and Matters, Page 18

UK miners may lose backing

BY OUR LABOUR STAFF IN LONDON

MOVES have started within Britain's Trades Union Congress (TUC) to reconsider its formal position of wholehearted support for the miners' strike over pit closures.

Suggestions that there should be a reappraisal follow the continued return to work in the coalfields – another 956 strikers went back yesterday – and political and union anger at the rough reception given to Mr Norman Willis, the TUC's general secretary, at a rally of 5,000 miners.

Mr Willis, addressing the rally of the National Union of Mineworkers (NUM) in South Wales on Tuesday night, was howled down when he condemned picket-line violence. At one point, three young miners climbed a walkway above Mr Willis' head in the hall where the meeting was held and lowered a rope in the form of a hangman's noose. This was greeted with great applause.

Mr Bill Sirs, leader of the Iron and Steel Trades Confederation, said yesterday: "I am astounded at the reception he got. He is the TUC general secretary and he was putting across Congress policy and he ought not to have been given that reception.

"I think the TUC will be concerned because I do not think it will be prepared to have its general secretary treated in this manner."

Leaders of the Engineers' and Managers' Association, which represents the electricity supply engineers at power stations, will urge the TUC at its next general council meeting, in less than two weeks' time, to review its policy of support.

Mr John Lyons, general secretary of the association, has written to Mr Willis saying that the aims of total victory apparently pursued by NUM leaders "do not represent the TUC's position."

Implying a difference between a TUC and an NUM position, Mr Lyons says that the "General council, with its wider responsibilities to the trade union movement as a whole, must establish clearly whether it has a view of its own in this protracted, bitter and ever more damaging dispute."

Left-wingers on the TUC are likely resist strongly Mr Lyons' call – the most forthright statement distancing other unions from the miners so far. But others will support it. Mr Alan Tuffin, general secretary of the Union of Communication Workers, said: "The whole thing needs a careful and hard look, and a really serious discussion with the NUM leadership, to see whether we have a role to play or not."

Scargill's will to win, Page 8

Lloyd's war risk rates to fall as cartel is abandoned

By John Moore and Andrew Fisher in London

THE COST of war risk insurance offered to shipowners by the Lloyd's insurance market and London insurance companies is set to fall sharply. Intense competition from abroad and independent arrangements devised by shipowners have led Lloyd's to abandon its system of fixed rates in a bid to salvage its £40m ($50.8m) share of the war risk market.

The first sign that rates for war risk business, which have been widely attacked by shipowners as being too high are set to fall came earlier this month when six of the eight members of the bull war risk committee, including its chairman Mr Henry Chester, a leading Lloyd's underwriter, decided to resign after arguments with the market about rate levels.

The dispute between the committee and the market began more than a year ago when the committee decided to raise the premium on war risk from 0.025 per cent of the vale of a ship's hull to 0.1 per cent because it feared that rates were artifically low.

The move was condemned by shipowners and overseas governments and was also unpopular among some Lloyd's insurers.

There has since been evidence that the committee's recommended rates have been undercut in the market by as much as 50 per cent.

Mr Chester said yesterday: "There is no point in carrying out a function that the market does not want. There was no disagreement about the recommended rates for troubled zones, but there was disagreement about the general war risk premiums."

Lloyd's has been losing business to the shipowners, who have set up their own protection and indemnity clubs which they control on a shared basis. The Arab War Risk Insurance Syndicate, formed in 1980 by 27 locally owned insurance companies, has provided protection for Middle East fleets. Other shipowners have provided themselves with insurance through a variety of pooling arrangements.

Now the Lloyd's Underwriters Association, representing marine underwriters, and the Institute of London Underwriters, representing more than 100 insurance companies, are studying ways in which to restore some sort of rating discipline within the war risk market after the collapse of the committee, which consisted of representatives of both associations.

Reagan budget chief warns of $205bn deficit

BY STEWART FLEMING IN WASHINGTON

MR DAVID STOCKMAN, the director of the Office of Management and Budget (OMB), has told president Reagan and his Cabinet that current projections are pointing towards a record federal budget deficit of between $205bn and $210bn in the current fiscal year, administration officials confirmed yesterday.

The figures were presented to a Cabinet meeting on Tuesday afternoon, one of a series of meetings taking place this week in which the Reagan Administration is beginning to chart its strategy for addressing the budget deficit, its top domestic political priority.

New estimates have been leaking out during the week, but officials are now confirming that the deficit will be significantly higher in fiscal year 1984–85 than the $172bn estimated in August this year and will be above the $195bn record bit in 1983.

One of the factors behind the upward revision is the slowdown in economic growth which occurred in the third quarter and which appears to be carrying over into the fourth quarter.

The Commerce Department reported yesterday that retail sales in October declined by a seasonally adjusted 0.1 per cent and would have fallen by 1 per cent but for a rebound in car sales from the strike-affected September level.

Retail sales data is volatile. The October figures will have been affected by depressed department store sales which registered a 2 per cent decline after unseasonally warm weather.

The data will, however, tend to reinforce expectations of a weak fourth quarter. Mr Malcolm Baldrige, Commerce Department secretary, said that he was expecting retail sales to recover but only to make a "moderate" contribution to growth in the rest of the year.

Administration officals are denying that there is a Machiavellian plot afoot to leak the new budget deficit figures, in an effort to increase pressure on Congress to take quick action on the budget deficit when it reassembles next year. The past few days, however, which have seen increasingly higher deficit estimates emerging from the White House, have created a more anxious atmosphere on Wall Street about the deficit outlook.

Many political analysts have been discounting the chances of budget cutting action next year on the grounds that divisions on Capitol Hill about how to tackle the defi-

Continued on Page 20

Sweden taps profits for training funds

BY KEVIN DONE IN STOCKHOLM

THE SWEDISH Government has launched a scheme of compulsory corporate investment funds to force companies to increase investment in employee training and research and development (R and D).

Companies will have to transfer the equivalent of 10 per cent of 1985 profits into "renewal funds." The capital – estimated at Skr 5–Skr 10bn ($591m–$1.1bn) will be placed in non-interest bearing accounts at the Riksbank, the Swedish central bank. Payment must be made by spring 1986.

The scheme will give Swedish trade unions more say in the allocation of companies' financial resources. Funds will only be released for R and D and training projects that have received the prior approval of a company's workforce. Any part of the capital in the funds that is unused will be paid back to the company after five years.

The renewal funds are seen by Sweden's Social Democratic Government as part of the trade off with the trade unions for moderate wage settlements in the looming 1985 pay round.

Company profits in 1984 are expected to be the highest for at least 15 years and forecasts for 1985 are also promising.

Despite this boom however the Government is trying to persuade the unions to accept a voluntary 5 per cent pay ceiling for 1985. This is part of its fight to cut inflation to only 3 per cent by the end of next year and maintain the international competitive edge of Swedish industry.

Publicly, Swedish Industry is critical of the new funds as being a further restraint on companies' freedom of manoeuvre, but privately an industry spokesman admitted

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Markets, Page 31

CONTENTS

BUSINESS LAW

Court to deliver opinion on Community transport policy

BY A.H. HERMANN, LEGAL CORRESPONDENT

YOU CAN lead a horse to water but you cannot make it drink. This must be the view of Advocate General Lenz, who is due to deliver an opinion* on the complaint of the European Parliament that the Council of Ministers has failed to agree a common transport policy.

The parliament decided to take the council, and thus indirectly all the member governments, to the European Court about two years ago. The court has now completed its hearings, and the opinion is expected on January 8 1985.

Some time in the spring the court should say whether politicians who fail to reconcile the divergent interests of their countries should be condemned or excused. Going by past experience, the court is quite likely to adopt the suggestion of the Dutch Government that it should step in and enact at least those rules which give effect to the principles of non-discrimination and freedom of providing services across national frontiers.

Transport, like agriculture, has its separate chapter in the EEC Treaty. But while the treaty makes it abundantly clear that its purpose is the subsidising of farmers, it is extremely vague about the aim of any future transport policy.

It was assumed from the beginning that transport could somehow play an important role in the integration of the Common Market. The transport enterprises produce about 6.5 per cent of the GNP of the Community and 15-20 per cent if one includes intra-enterprise and private transport. However, the industry has a long tradition of government intervention. On the continent, roads and railways have often been constructed and maintained with military rather than commercial needs in mind. This is one reason why there is a reluctance to leave it to the market forces to resolve the competing claims of railways, road transport and inland shipping. Another is the pressure generated by the railway unions and the motor industry.

It is, therefore, hardly surprising that the liberalisation of transport within the Community proceeds only very slowly. According to the commission, only about 40 per cent of road haulage between member states has been liberalised, while domestic business remains the exclusive domain of local firms. No harmonisation of road taxes has been achieved, and that of the weights and dimensions of lorries causes great difficulties. A structural overcapacity of inland shipping is a barrier to the entry of foreign enterprises.

The conflict between the British desire for free competition on the air routes and the continental countries' desire to protect their national airways has not yet been solved, though it makes the UK appear to be speaking with two voices: fighting for more competition in Europe while defending the Iata cartel in the U.S. Some co-ordination has been achieved in the area of shipping conferences, but the results make no one happy except a few enterprising businessmen in Third World countries.

The fathers of the treaty were, of course, well aware of the difficulties, and that is why Articles 74-84, which deal with transport, are so vague. These articles require the council to lay down, within the transitional period now long elapsed, common rules applicable to international transport from or to the territory of a member state and conditions under which non-resident carriers may operate transport services within a member state. Where such provisions could seriously affect the standards of living and employment in certain areas, or the use of transport equipment, the council must act unanimously. Unanimity is also required for deciding whether, to what extent and how similar provisions should be made for sea and air transport.

The evident inability of the member governments to reconcile their conflicting interests, often dictated by geographic location, as between mainly coastal and mainly inland territories, did not deter the commission from producing a stream of draft directives and regulations. Though some were approved, e pile of 14 proposals remains on the council's table without any great hope of passage. Half of these concern liberalisation of road transport, including a measure for the equalisation of capacities.

The commission takes the unrealistic view that the impossibility of reaching unanimity over deeply divisive issues does not absolve the council from its "legal" obligation to agree. Though there is no basis for this in the institutional or administrative law of member states, the commission found an ally in the European Parliament, always keen on the publicity which comes from court proceedings. The result is the present action brought by the parliament and supported by the commission.

Curiously, the Treaty does provide in Article 174 that, should the council or the commission fail to act, member states and "other institutions" of the Community may bring an action before the European Court. As Article 173, dealing with the judicial review of actions taken by Community institutions, does not give any standing to the parliament, the council argues that the same applies to actions for failure to act. A better argument is, however, that such actions could be a back door to legislative power denied to the parliament in the treaty.

The parliament insists that the council failed in its treaty obligations when it did not establish a framework for the regulation of transport by the end of the transitional period: the commission is softer on this point, speaking only of an obligation to do so in "a reasonable time." However, the commission is at least as determined as the parliament when it comes to the neglect or rejection of its own proposals: it argues that the absence of a common transport policy leads to distortions in competition, that the measures taken in respect of shipping and air transport are insufficient and, last but not least, that the council obstructs the transfer of international responsibilities in the field of transport from member states to the Community, that is, to the commission.

The Dutch Government, which intervened in this case on the side of the council, put forward a proposal which would side-step the impossible "legal obligation to reach agreement" canvassed by the parliament and the commission. Instead, it suggested that the problem should be solved in the same way in which the court solved that of freedom of services on which the council also could not agree.

In a series of decisions the European Court said that after the expiry of the period during which the council should have enacted a suitable measure but did not, those freedoms which are sufficiently defined in the Treaty must be protected by national courts.

The same could be done for the transport services. The council could be thus purged of its guilt, and transport enterprises would benefit.

The commission, not entirely happy with thus losing many precious drafts, proposed an alternative: if the matter were left to legislation by the judges, it should be modelled on the fisheries' decisions which made notification and consultation of the commission obligatory. This, one is afraid, would lead only to more litigation as the fisheries' measures did. The Dutch idea seems much better: it is simple, does not require legislation, and, above all, it is possible.

**Case 13/83, European Parliament supported by the EEC Commission n Council nf Ministers supported by the Dutch Government, unreported.*

EEC MEASURES TO CURB OUTPUT UNDER STRAIN

Italy faces legal action on milk levy

BY IVO DAWNAY IN BRUSSELS

THE ITALIAN Government is under threat of legal action by the European Commission over its failure to take steps to implement the "superlevy" aimed at curbing the Community's excess milk production.

Commissioners had been expected to endorse the opening of legal proceedings at their meeting in Strasbourg yesterday. But the decision was postponed as new wrangles broke out over the farm ministers' request this week for a postponement until February of the first tranches of superlevy payments, due today.

Both issues will be reviewed next week following the Commissioners' agreement to delay for eight days the rules requiring immediate payment for excess milk output. There seems little likelihood, however, of the Commission withdrawing its threat of legal action unless Italy gives firm undertakings immediately that the restraint programme is underway.

This week's developments are a clear indication of the mounting political pressure on governments and the EEC over the stringent systems for milk production cuts agreed by ministers last March.

Reports from Tuesday's Farm Council meeting in Brussels now reveal that the French demand for further postponements of the first payment provoked a furious response from other countries, fuelling alarm that the rules cannot stick.

Action against the Italians confirms that the Commission alos fears the whole edifice of common agricultural policy reform, of which the superlevy is the cornerstone, could be undermined by a lack of political will from member states. Unofficial reports here claim that Italy has made little or no effort to inform its thousands of producers of the new restraints or to create administrative mechanisms for enforcing them.

This comes despite a special years' exemption for Rome, agreed in March, expressly for the purpose of devising a regulation system. Italian production, which supplies only 70 per cent of the domestic market, is unimportant in EEC terms, but, symbolically, the lack of official action is acutely damaging.

Six of the ten member countries have already requested adjustments to the system, and new milk purchasing boards established in Ireland and Denmark are also being scrutinised by Commission officials dubious of their legality.

Nevertheless, informed reports from several countries make that the superlevy is already biting hard as farmers take action to reduce their production. Falls in output have been noted in Britain, France and Denmark and beef market officials now fear that prices and costs may now be seriously affected by substantial slaughtering of cows.

European Parliament censures Commission

BY QUENTIN PEEL IN STRASBOURG

THE long-simmering frustration and resentment of the European Parliament finally came to the boil yesterday, when MEPs lashed out at the European Commission, accusing it of mismanagement, and failure to obey their instructions.

The parliamentarians took their most radical possible step short of outright censure of the 14-member Commisston, by refusing to grant them a formal "discharge" for their implementation of the EEC budget in 1982.

In spite of calls for their resignation, the move was dismissed by M. Gaston Thorn, the Commission president, as a "meaningless aod wrong decision," and an abuse of the Parliament's procedures.

Mr Christopher Tugendhat, the British commissioner for the budget, and a prime target of many of the MEP's complaints, rejected the general criticism, and any suggestion that he should quit—only six weeks before the Commission is due to retire.

The harsh judgment, which amounts to a slap in the face for the departing commissioners, was passed by a substantial majority of the MEPs, but by only one vote more than the qualified majority necessary to refuse the discharge—by 219 votes to 102, with 33 abstentions.

It was supported by the Christian Democrats and most of the Socialist group—the two largest—but opposed by the unlikely alliance of both British Conservatives and assorted European Communists.

The necessary majority was only ensured, however, after a key clause relating to the alleged hidden subsidies paid by Britain's Milk Marketing Boards—currently being challenged in tha European Court—was dropped at the insistence of British Labour members.

However, another accusation behind the move was that the outgoing Commission paid over part of the UK budget rebate in 1982 before it bad been cleared by the Parliament—a charge angrily rejected by Mr Tugendhat.

Mrs Barbara Castle, leader of the Labour MEPs, said the Commission ought to resign as a result of the vote, and make way for the new Commission which takes over normally in January.

However, Mme Simone Vieil, leader of the Liberal group, said MEPs should have criticised the Council of Ministcrs, and the governments of the 10 member states, rather than the Commission.

Mr Richard Simmonds, the Conservative spokesman on budgetary control, said the Parliament had "acted lika a spoilt child, and stamped its foot in a fit of pique."

Synthetic fibre ruling comes under attack

BY PAUL CHEESERIGHT IN BRUSSELS

WEST GERMAN sportswear, underwear and stockings manufacturers have asked the European Court of Justice to annul a ruling by the European Commission that has exempted major synthetic fibre makers from the competition rules in exchange for a reduction in capacity.

The Commission last July had lifted the normal EEC ban on restrictive trade practices until the end of 1985 on the understanding thet 10 producers would reduce their capacity in six synthetic fibres by 18 per cent, or 354,000 tonnes.

But West German users of the fibres are contesting this ruling because, they have told the court, the Commission should have ascertained, but did not, that the exemption would benefit consumers. On the contrary, competition will be reduced and there will be no improvement in the production or distribution of the fibres.

The companies also argue that as the synthetic fibre companies bave been shedding capacity, mnch of tha restructuring had taken place. Therefore, the Commission decision was unnecessary.

Hearings on the case are unlikely before next Easter, so a judgment next year does not seem probable. This means the exemption will have expired before any court ruling would bave an effect. As the West German companies have not applied for an interim judgment, it appears they are more interested in damages than the exemption itself.

The synthetic fibre industry has been restructuring since the late 1970s. Its first joinnt plan for capacity cuts was rejected by the Commission on competition grounds before a compromise was reached and a ruling given last July.

Tha companies taking part are Anicfibre, Bayer, Courtaulds, Enka in both Germany and the Netherlands, Hoechst, ICI, Mintefibre, Rhone Poulence and Snia Fibre.

The West German companies taking the Commission to court are Athlet Sport und Freizeitbekliedung, Balth, Bilckie, BI Strumpffabrik, Elbeo-Werke, Ergee-Werke Edwin E. Roessler, Falke Feinstrumfwerke, Hudson Textilwerke, Kunert-Werke, Adolf Riedl, Schilling and Reltter, Schulte and Dieckhoff, Fred Vätter Strumffabriken Schongau und Altenstadt and Firma Ernest Wagner.

Euro-MPs set scene for new budget row

BY QUENTIN PEEL IN STRASBOURG

MEMBERS OF the European Parliament yesterday set the scene for a renewed confrontation with the 10 governments of the European Community by insisting that they increase by Ecu 2.8bn ($2.1bn) their contributions to next year's budget — a move which could lead to complete rejection of the document.

At the same time they precipitated a last-minute confusion over payment of Britain's promised Ecu 1bn rebate, which they want to tie to specific spending schemes.

In a marathon session to consider more than 900 amendments to the budget the MEPs have challenged the draft produced by the Council of Ministers as both "unacceptable" and even "dishonest."

They maintain that it fails to finance more than 10 months of committed spending in the coming year and gives no reliable guarantee that the necessary extra cash will be forthcoming.

Instead, the Parliament is calling on the member states to provide Ecu 2.8bn in increased contributions to finance a shortfall of Ecu 1.3bn in farm spending and Ecu 1.5bn of budget rebates, or reduced contributions, promised to Britain and West Germany.

They also want to increase non-agricultural spending by about Ecu 385m to absorb all the available revenues within the present 1 per cent VAT ceiling on Community finance.

The moves amount to a direct challenge to the Council of Ministers, which only managed to reach a compromise on the 1985 spending plans by cutting the budget to the present Ecu 25.9bn, and attaching a declaration which simply promises to find the extra cash somehow

The parliament agreed yesterday that the extra money should be provided as an advance payment by member states against the promised increase in their VAT contributions from January 1, 1986, the planned date for Spain and Portugal to join the Community.

West Germany in particular, however, has insisted that no increase in the VAT ceiling from 1 to 1.4 per cent can be agreed before that date.

The MEPs also challenged the council decision to allow Britain's rebate to be paid in the form of reduced contributions rather than as an actual repayment, as in former years.

Net cast wider in crackdown on Mafia

By James Buxton in Rome

INVESTIGATORS IN Palermo yesterday began sifting through tons of documents seized from the offices of two prominent Sicilians who are alleged to have been involved with the Mafia in financial affairs.

Sigs Nino and Ignatio Salvo were arrested on Monday and are now in prison in Rome, accused of criminal association.

Their arrest shows that the authorities are now prepared to tackle the supposedly "untouchable" Sicilian businessmen and politicians who are thought to connive, at least, at the activities of the Mafia, if not to be closely involved in them.

Magistrates ordered the arrest of the Salvo cousins following testimony by Tommaso Buscetta, the Mafia boss who recently broke the organisation's oath of silence triggering the arrests of more than 100 Mafia members, including several minor gang bosses.

Last week, police arrested Vito Ciancimino, a former mayor of Palermo, who was accused of criminal association and exporting currency illegally. It has long been claimed that he provided political protection to Mafia rackets in Palermo.

The Salvo cousins are alleged to be part of the oligarchy of immensely wealthy and powerful men who direct the affairs of much of Sicily.

In the 1950s they secured from the regional government the concession to act as tax collectors in several parts of the island, a concession that was gradually extended and which carried the lucrative commission of 10 per cent on all revenues collected.

Tax farming is still prevalent in many parts of Italy, especially south of Rome. For the collectors the concessions not only yield access to an immense amount of cash, but also tha chance to pry into or turn a blind eye to, the financial affairs of many Sicilians.

Police are now trying to establish what portion of tha Salvo cousins' affairs—and the wealth it brought them—was legitimate, and what part was illicit or criminal. Buscetta has claimed that he himself was concealed by the Salvo family in a lavish villa near Palermo when he was on the run in 1980-81.

Apart from being a crime, of which the Salvo cousins have been accused, the episode casts light on their apparent involvement with the Mafia. Though giving sanctuary to Buscetta, the Salvos are known to have been close to his dire enemies, the Greco clan.

Investigators are now wondering whether the Salvo cousins were so high in the pyramid of the Mafia as to be almost above the squabbles of individual bosses—squabbles which cost hundreds of lives in shoot-outs in between 1980 and 1982.

The arrests in Sicily have proved highly embarrassing to Italy's long-ruling Christian Democrat Party, which is the leading party in the island. Both the Salvo cousins and Sig Ciancimino were until recently registered members of the party, and last week Sig Ciriaco de Mita had to go to Sicily to launch an attempt to clean up the party there.

Nato views measures to boost conventional arms

BY BRIDGET BLOOM IN BRUSSELS

NATO should not allow the dazzle of new technology to distract it from seeking improvements in more traditional areas of defence, Lord Carrington, the organisation's secretary general, warned yesterday.

Lord Carrington suggested that Nato defence ministers will agree measures to improve the organisation's ability to sustain conventional warfare in Europe when they meet for their biannual session in Brussels in December.

Such measures are being prepared as e direct response to criticism from the U.S. Congress that Europe is not pulling its weight in the alliance and that more needs to be done to boost war stockpiles and improve reinforcement facilities.

He reiterated arguments advanced earlier this week by General Bernard Rogers, the supreme commander in Europe.

U.S. improves Turkish bases

THE U.S. is to spend $70 m on modernising two bases in eastern Turkey and the provision of defence systems for another two, Mr Richard Perle, U.S. Assistant Secretary of Defence, said in Ankara yesterday.

Turkey would man and operate two bases with Rapier missiles purchased from Britain.

Peter Bruce examines a plan to reduce the scale of West German state ownership

Bonn takes a step towards privatisation

CONSERVATIVES in West Germany and Britain were entertaining the beeting vision early last year of Bonn and London as pioneers in the art of privatisation.

The Thatcher Government, by then, had already begun to privatise British industries under state ownership. The new centre-right coalition government of Chancellor Helmut Kohl in Bonn was pledging to do the same.

Britain, however, has had to go it alone. After nearly two years, Bonn's control over, or interests in, some 900 enterprises is virtually unaltered. A lone exception was a successful cut in the state's stake in Veba at the beginning of the year from 43 per cent to 30 per cent. Given Veba's strengths, the equity sale was easy.

Now Herr Gerhard Stoltenberg, the Finance Minister, has produced a list of 11 new candidates for privatisation or, part privatisation — he is not yet threatening to remove federal control from any company where it already exists. The list includes such illustrious names as Lufthansa, Volkswagen and VIAG, but the Finance Minister's proposals could not be called (as they have been by spokesmen for his party) bold or courageous by the Thatcher Government's standards.

Herr Stoltenberg's list will have to pass through a maze of political obstacles before it emerges as policy, but it will almost certainly be the last word on privatisation by the Kohl administration before the next elections in 1987.

The conservative parties in the governing coalition have never expressed much interest in privatisation, and may well regard Dr Stoltenberg's asset sales as a budget-boosting exercise rather than an expression of ideology. According to independent estimates, the proposals could raise up to DM2bn (£536m).

Nonetheless, despite the apparent feebleness of the proposals, implementing them could mean taking on determined political and industrial opposition.

Unease about the consequences of moves towards privatisation is thought to have been behind a delay in cabinet plans to discuss the Finance Ministry's proposals this week. By far the most public, and potentially most damaging, objection has been raised by the powerful Bavarian leader, Herr Franz Josef Strauss, over the proposed cut in the Government's holding in Lufthansa, the national airline.

Herr Strauss, though not a cabinet member, is leader of the Christian Socialists (CSU), one of the coalition partners. He is also on the Lufthansa board and has been quoted as saying he intends holding Chancellor Kohl to an earlier promise not to tamper with Bonn's 79 per cent stake in the airline. The Chancellor, on the other hand, is understood to have given his blessing to the Stoltenberg plan.

Opposition from Herr Strauss is based on fears that a privatised Lufthansa might fail in the future to buy aircraft from the European Airbus Industrie consortium, of which he is a director. Messerschmidt Bolkow-Blohm, the Bavarian-based aerospace group, is also a major Airbus partner.

The fact that the Stoltenberg plan calls for a reduction in Bonn's holding to only 55 per cent and that ways will be found to prevent it falling below 50 per cent (probably through the sale of non-voting stock) appear to have made little impact on opposition to the mere idea of privatising Lufthansa.

But Lufthansa is only the most obvious area of conflict. A cut in the government's stake from 20 per cent to 14 per cent may disturb internal politics at Volkswagen and the injection of private capital may upset the balance of worker-management mitbestimmung on the board. Dr Stoltenberg wants to cut the stake by not taking part in VW plans to raise DM 300m in new capital and the absence of the state could make it that much harder to raise the money.

There is no reason, either, to believe the Berlin Länder Government will take kindly to proposals to reduce Bonn's holding in DIAG, its large but chronically weak Berlin-based plant and machinery operation, from 100 per cent (held through the Berliner Industriebank) to just over half.

Unconfirmed reports that three private buyers are interested in taking DIAG completely off the Government's hands will probably cause even more alarm at Länder level.

Dr Stoltenberg may also face opposition from one of the two major credit institutions where he plans to cut Bonn's holding. The directors of the Deutsche Siedlungs und Landesrentenbank are understood to be unhappy at the prospect of DSL equity being snapped up by the big commercial banks. DSL mainly supports rural projects and it is possible Herr Ignaz Kiechle, the Agriculture Minister, could also raise objections.

If the Finance Minister needs any support outside cabinet, he has probably already won it from the commercial banking community, who gave a guarded welcome to the plan. The banks will probably be one of the biggest buyers of any attractive stock that comes onto the market.

When the cabinet will sit down and talk about Dr Stoltenberg's plan is still not clear. Finance Ministry officials, denying that this week's scheduled meeting was delayed because of difficulties with Herr Strauss, blamed cluttered ministerial diaries instead.

STOLTENBERG'S 'PRIVATISATION' CANDIDATES

Company	Nominal capital	Turnover ('83)	Govt holding %	Activity	Possible new holding %
VIAG	DM580m	DM5.9bn	87.44 direct, 12.56 indirect	Energy, chemicals, aluminium	75
Volkswagen	DM1.2bn	DM40bn	20 direct	Vehicle manufacture	14
Prakla-Seismos	DM26m	DM319m	95 direct, 5 indirect	Oil, gas exploration	50+
IVG	DM54m	DM575m	100 direct	Industrial management, ship repair, property, transport	75
Deutsche Pfandbriefanstalt	DM243.9m	*	57.9 direct, 11.9 indirect	Mortgage bank (chiefly urban)	50+
Deutsche Siedlungs und Landesrentenbank	DM236m	†	99 direct	Infrastructure lending-rural	50+
Deutsche Lufthansa	DM900m	DM8.9bn	74.3 direct, 5.4 indirect	Airline	55
DIAG	DM160m	DM593m	100 indirect	Plant, machine tools, printing, machines	50+
GFN	DM61m	DM190m	100 direct	Finances, builds and leases motorway service points	N/A
Schenker & Co	DM60m	DM3.9bn	100 indirect‡	Worldwide road haulage	N/A
Deutsche Verkehrs-Kredit-Bank	DM65m	§	67.9 direct	Bank and house bank to Bundesbahn	N/A

* Balance sheet total (end '83) DM51.8bn. † Balance sheet total (end '83) DM30.5bn. ‡ Bundesbahn subsidiary. § Balance sheet total (approx.) DM5bn.

Fresh dispute at troubled Le Monde

By David Housego in Paris

A FRESH dispute has blown up at Le Monde, France's leading daily newspaper, which is facing acute financial difficulties, over the future running of the paper.

M André Laurens, the editor in chief, yesterday announced that he had rejected a proposal from outside shareholders that a manager be appointed to run the paper jointly with him. The group of shareholders, which includes founders and former editors, had proposed that M Bernard Roux, publisher of the Courrier Picard in northern France, be appointed as an administrative director.

The proposal was seen as reflecting the outside shareholders' concern about the future of the paper and their lack of confidence in M Laurens' ability to carry it single-handed through its difficulties. The outside shareholders have a 40 per cent stake in the holding company that controls Le Monde.

M Laurens, who as director and editor in chief has an 11 per cent shareholding, said yesterday the proposal was ill timed and out of place because the running of the paper was his responsibility.

He announced that a general assembly of shareholders including the editorial staff would be summoned to discuss the paper's future. At Le Monde, the editorial staff also hold 40 per cent of the shares and have a right of veto on most key decisions.

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AMERICAN NEWS

Grinspun set for U.S. to wrap up debt deal

By Jimmy Burns in Buenos Aires

SR BERNARDO GRINSPUN, Argentina's Economy Minister, was expected to leave for the U.S. late last night to press for an early agreement with commercial banks on a $20bn (£15.7bn) rescheduling package.

"I am optimistic that the package will be sewn up almost certainly before the end of this month," Sr Grinspun predicted.

Foreign bankers in Buenos Aires confirmed that the steering committee presided over by Citibank was working on a draft proposal which could be ready for discussion with Sr Grinspun by tomorrow.

It is understood that the banks would be willing to lend not more than between $3bn and $3.5bn in fresh funds. This is less than the $5.4bn originally asked for by Argentina. However, bankers are confident that the country will be able to cover the remaining gap in its balance of payments with additional loans from institutions like the World Bank and the Inter-American Development Bank (IDB), with whom Sr Grinspun is also scheduled to have meetings.

U.S. steps up Honduran manoeuvres

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

THE U.S. is conducting seven separate military exercises in Honduras, three of which began on November 7, the day after the U.S. Presidential election, it was disclosed in Washington. The Reagan Administration continued to insist, however, that manoeuvres in the region were not the prelude to a U.S. invasion of Nicaragua.

The Pentagon said that the exercises were intended to remind the Nicaraguans that "they should not have designs on their neighboura." On Tuesday the Pentagon said that there was "enough circumstantial evidence" to suggest that Nicaragua might attack Honduras or El Salvador.

The Pentagon would not reveal the precise number of U.S. personnel involved in the latest manaeuvres, but the total was thought to be around 500, considerably less than in some previous exercises in Honduras.

In Managua, a senior official said that the Sandinista Government had information that U.S. military strategists bad chosen two North Western Nicaraguan provinces, Leon and Chinandega, close to the Honduran border, as a possible invasion site. Mr Caspar Weinberger, the U.S. Defence Secretary, however, dismissed the Nicaraguan invasion fears as "silliness."

The latest exercises included road and air strip construction by U.S. Army engineers, infantry patrols, "counter-insurgency" exercises with Honduran troops and medical training, the Pentagon said.

A small U.S. contingent of about a dozen was also providing command and control from ports in El Salvador and Honduras for a joint naval exercise by the two countries in the Gulf of Fonseca, and the U.S. Air Force was exercising with attack and observation aircraft.

The Pentagon did not disclose the exercises until questioned about them by reporters. The scale of U.S. military operations in Honduras has been criticisad by the Administration's opponents in Congress, who believe that the Pentagon is planning a long term presence in the country — despite its denials.

● Military manoeuvres by foreign forces in Central America are allowed under the latest draft of the Contadora regional peace treaty. The ban on such manoeuvres contained in earlier drafts of the treaty was removed last month after representations by the U.S. and its allies in Central America.

Controversial LA 'bullet train' plan shelved

CITING A lack of venture capital, American High Speed Rail Corporation has dropped plans to build a controversial $3.1bn "bullet train" between Los Angeles and San Diego.

The company has spent $10m (£7.8m) on the project but fell short of raising the additional $50m it said it needed for down payments on rights of way and to keep operating through early next year when construction was to begin.

Mr Lawrence Gibson, president and chief executive, said on Tuesday his company had sold for $200,000 its engineering plans and market studies to Amtrak, the federally subsidised corporation which runs intercity passenger train operations in the U.S.

In San Francisco, Amtrak official Mr Arthur Lloyd said his agency had no plans to build the 160 mph train itself. Amtrak bought the plans, which included market studies, because it would have been more costly for Amtrak to produce its own, he said.

The train was to cover the 132-mile trip in 59 minutes — less than half the conventional journey time.

Shell in exploration accord with Peru

BY DOREEN GILLESPIE IN LIMA AND ROBERT GRAHAM IN LONDON

ROYAL DUTCH SHELL has signed a major exploration contract with Petro Peru, the state-owned Peruvian oil concern, for two new blocks covering 1.6m hectares in the south eastern jungle. The contract is an important boost to exploration in Peru which has tailed off sharply in the last two years.

The deal has aroused considerable speculation in the industry about the oil-bearing potential of the southeastern jungle. The new blocks are close to existing Shell acreage where last year the company is understood to have made a promising gas find.

The contract, which has involved protracted negotiations, is not substantially different from existing formulas with Peruvian investment, production sharing agreements and tax provisions compare unfavourably with those being offered by other countries like China, Colombia and Equador.

Shell's acceptance of the arrangement is being seen here as a sign of its strong interest in the area. The company is also involved in exploration work in Bolivia, close to the southern Peruvian border.

The new acreage in the Madre de Dios basin makes Shell the biggest jungle operator in Peru. However, until now all the discoveries and production have been in the northern part of the Amazon jungle.

Shell's 30-year risk contract commits the company to invest a minimum $20m (£15.4m) in the first three years. But bank guarantees of $49m have been signed to cover a six-year exploration stage. The company hopes to have a team working in this totally unexplored area by the middle of next year.

The contract includes a seismic option under which Shell would not lose its bank guarantees if seismic surveys do not justify drilling.

Shell needs to discover proven reserves of at least 400m barrels of crude to justify the huge cost of constructing a trans-Andean pipeline from the Madre de Dios Basin to the coast. Industry sources estimate the pipeline could cost $1.4bn.

Peru is currently spending $340m a year exploration and development of its hydrocarbons, almost $200m less than 1982. Production is running at about 180,000 barrels a day but the Energy Ministry estimates the level of investment needs to be more than doubled if Peru is to maintain self-sufficiency against depleting existing wells.

Congressional group condemns space station

BY WILLIAM HALL IN NEW YORK

U.S. GOVERNMENT plans to build a $8bn (£6.2bn) permanently manned space station, which could be operational by the early 1990s, bave been harshly criticised by a U.S. congresional watchdog body which says there is no economic justification for such a project.

A report by the Office of Technology Assessment (OTA), "civilian space stations and the U.S. future in space," argues that the U.S. is going ahead with the project without having sensibly thought out the nation's objectives in terms of its space programme for the next few decades.

It says that there is "no compelling, objective, external case" for the kind of orbiting station which is being rapidly developed.

The report will add fuel to the perennial criticism that the National Aeronautics and Space Administration (Nasa) is more interested in glamorous space projects than more worthwhile but less costly and visible space initiatives. Even the U.S. military and scientific establishment bave not been particularly enthusiastic about plans to put a manned space station into operation.

However, Nasa has been lobbying hard for the project and plans for a 400-ft long space station which will be occupied by more than half a dozen scientists finally won the support of President Reagan earlier this year.

The deadline for the design proposals is this week and Nasa plans to award contracts early next year when it will ask Congress for financial backing.

Some observers have suggested that Nasa's recent offer to put Senator Jake Garn on a future space shuttle mission is being done with an eye to winning the support of his committee which has oversight responsibilities for Nasa.

The report recommends that there is a need for some "fundamental changes" in Nasa's attitude to the development of space related activities and suggests that the private sector should be given more responsibility.

General strike call in Bolivia

BOLIVIA'S powerful Workers Confederation (COB) has called an indefinite general strike to force the Government to find solutions to the country's grave economic problems, Reuter reports from La Paz.

The strike call on Tuesday night, which follows a two-day stoppage last week, came as miners' leader Sr Guillermo Dalence accused army chief General Jose Olvis Arias of plotting to overthrow the Government.

Sr Juan Lechin Oquendo, the COB leader, said the general strike, the sixth this year, would continue until President Hernan Siles Zuazo's Government moved to improve food supplies, raise wages, control prices and cut unemployment. Inflation runs at over 1,000 per cent in Bolivia.

Panama proposes freeze on government salaries

PANAMA'S NEW President, Sr Nicolas Ardito Barletta, has announced stiff austerity measures to fight what he called the nation's "fiscal crisis" and stagnant economy, AP reports from Panama.

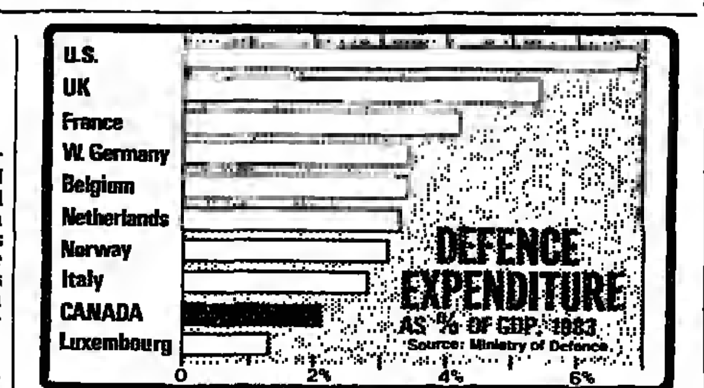
Sr Barletta proposed a two-year freeze on all salary increases for Government workers, coupled with unspecified increases in property taxes and fees paid for licenses to operate banks in Panama.

Sr Barletta, who took office last month, warned in a 25-minute nationwide radio and television address on Tuesday night that under previous policies the Government would be unable to meet its foreign debt obligations or pay government employees. It was Panama's worst crisis in half a century, he said.

The President said similar measures would be announced in the "coming weeks and months." Unemployment in Panama is believed to run as high as 40 per cent in some areas and private economists estimate the cost of living in Panama has doubled to 20 per cent during the past year.

● Canute James in Kingston writes: A week of demonstrations by Dominican students has erupted in street riots. The disturbances which are the latest outburst of public protest, simmering for the past eight months, against talks between the Dominican Republic Government and the International Monetary Fund.

The contentious talks with the IMF lead to riots in April which left 55 people dead.



Canada aims to beef up its 'stop gap' policy on defence

BY BERNARD SIMON IN TORONTO

MR ROBERT COATES, Canada's Defence Minister, has slood out in the past six weeks as one of the most visible members of the new progressive Conservative Government. He has travelled to Washington to assure the Pentogon that defence is a special priority of the new government. He has attended a North Atlantic Treaty Organisation nuclear planning group meeting in Italy and appeared on local television inspecting artillery and Lynx helicopters in Britain.

Mr Coates' high profile is an early sign that the Conservatives are serious about honouring their campaign pledge of beefing up Canada's much-maligned and long-neglected armed forces.

Nonetheless, defence was not totally immune from the public spending cuts announced in last week's mini-budget. In what may turn out to be little more than a token gesture, the Government is to cut C$154m (£92.7m) from next year's provisional defence expenditure of C$9.5bn. It stressed its commitment "to strengthening Canada's defence capicity."

Spending increases

The previous Liberal Government did start in its final years in office to reverse what one observer called the "forward march to obsolescence" of Canada's war machine. Canada has recently become one of only a handful of Western nations meeting the Nato goal of a 3 per cent annual increase in real terms of its defence budget. The Liberals indicated that the Budget would rise to C$9.5bn in the year to March 1986 from C$8.88bn in the current fiscal year. The proportion of government spending earmarked for defence rose from 8.6 per cent in 1979 to 9.8 per cent in 1982. It slipped back, however, to 9.2 per cent this year.

Three important procurement programmes are under way. The air force is being equipped with F-18 fighters, deliveries of which will stretch to September 1988. Six patrol frigates are to be built at a New Brunswick shipyard at a total cost of C$3.4bn in 1983 prices. The vessels will be completed between 1989 and 1992. Preliminary bids were recently submitted for a C$600m low-level air defence system.

But the spending increases of the past two to three years appeared to stem less from a fundamental policy shift than from growing criticism from the public and Canada's Nato allies that the country was incapable of meeting its commitments, or of defending itself. The last White Paper on defence policy was issued in 1971 and Canada's defence spending as a proportion of gross national product remains the second lowest in Nato, ahead of only Luxembourg.

Canada's defence policy has traditionally been based on the advantages of collective security through alliances. In the words For other members of Nato, however, Canada's contribution to the joint effort has been negligible.

In theory, Ottawa has three major commitments to the Atlantic alliance:

● A mechanised brigade group and three air squadrons stationed at Lahr and Baden-Soelliogen, West Germany.

● A home-based force of one brigade group (4,000 men) and two fighter squadrons available for rapid deployment in northern Norway.

● Provision of warships and maritime aircraft on the east coast to help keep the Atlantic sea lanes open.

In practice, Canada's main contribution to Nato in recent years has been the use by its allies of Canadian land and airspace for training manoeuvres. The West German Bundeswehr has more Leopard tanks in Canada each summer than the number operated by the Canadian armed forces.

The brigade in West Germany was pulled back to a reserve position in the early 1970s and is now described derisively by a Nato source as a "stop gap." Outsiders question whether the rapid deployment force based in Canada could be moved quickly or effectively enough to Norway in a crisis. The brigade is scattered throughout the country. Five Boeing 707s and 26 (soon to be increased to 28) Hercules C-130s, available for carrying men and equipment are said to be committed to several simultaneous tasks.

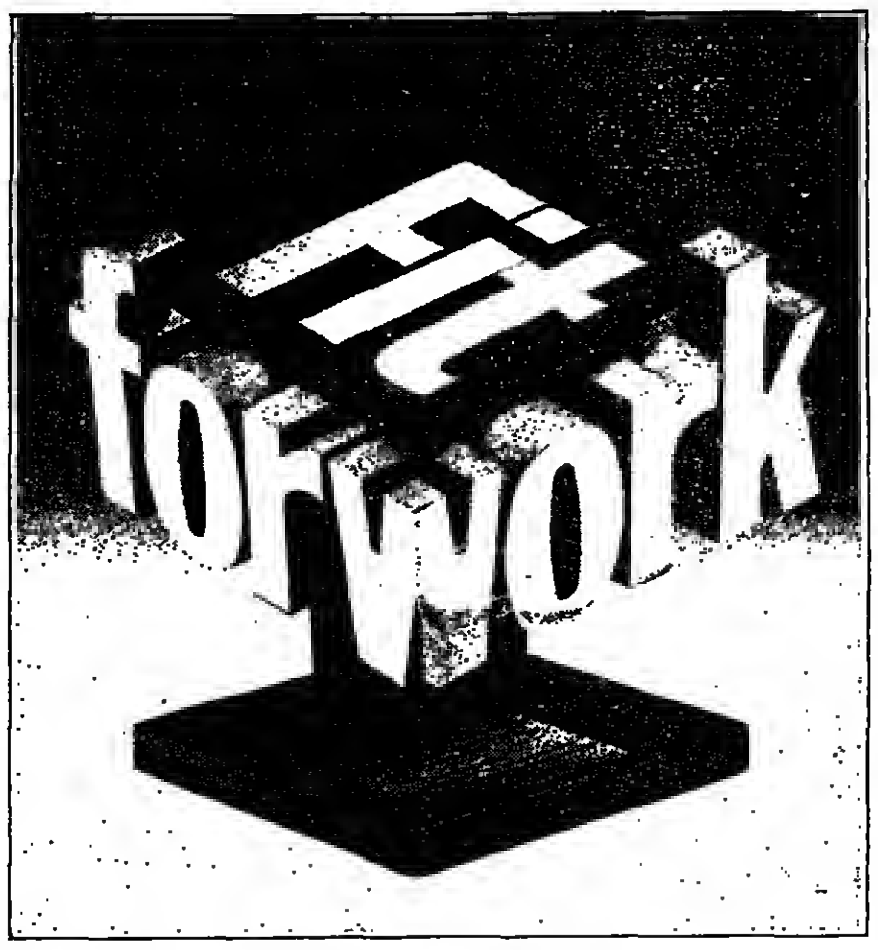
The Canadian Navy is the weakest link in the chain and has become a national laughing stock. It has 20 steam-driven destroyers and three submarines to protect one of the world's longest coastlines. The four newest destroyers in the fleet were commissioned more than a decade ago and the submarines are almost 20 years old. Six minesweepers have been converted into training ships, leaving Canada totally dependent on the U.S. to keep ports such as Vancouver and Halifax clear of mines during any hostilities.

Under pressure

According to one estimate, the strength of the Canadian armed forces — about 82,000 personnel — needs to be raised by 15,000-25,000 to meet the country's Nato commitments. Canada is also being pressed to increase spending on capital equipment, which accounts (partly because of high wages) for only about a quarter of the defence budget, compared with 46 per cent in Britain.

The Conservatives promised during the recent election campaign to raise the size of the armed forces by 10 per cent and to increase defence spending by 4 per cent a year in real terms.

Whatever increases in defence spending Mr Coates is able to get past in cabinet colleagues are thus unlikey to be dramatic. It seems that, even if the new Government does commit itself to a more substantial defence effort, the results may take several years to appear.



The Government and the Manpower Services Commission are pleased to announce the names of those organisations who have received a Fit for Work Award in 1984.
An Award is given to those who have done most for disabled workers in the last twelve months by implementing constructive employment policies. Assessment is on an evaluation of the organisation's record and performance in accordance with six simple guidelines ✻ Full and fair consideration of disabled people for all types of vacancy. ✻ Retention of newly disabled employees wherever possible, after rehabilitation or training if necessary. ✻ Equal opportunities for disabled workers for training, career development and promotion. ✻ Modifications to equipment, the use of special aids to employment and job restructuring if needed to help the employment of disabled workers. ✻ Adaptation of premises where necessary. ✻ Close co-operation with the local jobcentre.
Employers with constructive employment policies for disabled people are invited to take part in next year's Fit for Work Award Scheme. Details can be obtained from the Manager, Central Awards Unit, Manpower Services Commission, Room W1030, Moorfoot, Sheffield S1 4PQ (Tel: Sheffield (0742) 704511) or from your local jobcentre.

'Fit for Work' Awards 1984

Ron Arnott Business Systems – Commercial Stationery and Computer Supplies
Paul Backhouse Limited – Wholesalers in Motor Components
Martin Baker (Engineering) Ltd – Aircraft Escape System Manufacturers
Bally's Shoe Factories, (Norwich) Ltd
Bassetlaw District Council
Beatson Clark Plc, Rotherham Works Glass Bottle Manufacturers
Blackburn Borough Council
Bowater Hills Limited – Door and Cubicle Manufacturers
The Brackla Engineering Co Ltd – Darts Manufacturers
Bradford Chemists' Alliance Limited – Wholesale Chemists
Brand-Rex Ltd – Electrical Wire and Cable Manufacturers
British Aerospace Plc, Dynamics Group
British Steel Corporation, Landore Metal Products
Brynwood Screen Printing Company
CSTA Engineering Limited
Caldmore Area Housing Association
Cessna Fluid Power Ltd – Hydraulic Equipment Manufacturers
Christies (Fochabers) Limited – Forestry and Nursery
Clarke Bros (Liverpool) Ltd – Jewellery and Watch Strap Manufacturers
Clydebank District Council
Compact Cases Ltd – Jewellery Box Manufacturers
Co-operative Wholesale Society Ltd – Edible Oils and Fats Factory
Corporation of Rossall School (The Catering Department)
Cottam Brothers Limited – Brush Manufacturers
Coventry Art Castings Co Ltd
Crouse-Hinds (Europe) Ltd – Electrical Equipment Manufacturers
Dairy Crest Creamery – Lactose Refiners
Dale Joinery Plc
Dermide Ltd – PVC Floor Covering Manufacturers
Derwentside District Council
Dinefwr Borough Council
Don International (Bristol) Ltd – Disc Pad Manufacturers
East Yorkshire Health Authority
Electro Acoustic Industries Ltd
Finchale Residential Training Centre
Foster Hope Communications Ltd – Financial Services to Charities
Glaxo Operations UK Ltd – Pharmaceutical Manufacturers
Gowllands Limited – Surgical, Dental and Optical Appliance Manufacturers
Graham & Brown Limited – Wallpaper Manufacturers
Granny Owens Pastry Pantry
Greater Manchester Council
Halifax Building Society
Hardy Spicer Limited – Automotive Engineers
Hoover Plc
Humberside County Council
Kerrier District Council
Lacre Ltd – Municipal Vehicle Manufacturers
C R Laking and Son – Butchery/Bakery Manufacture and Retail
Laystall Engineering Co Ltd – Crankshaft Manufacturers
The Leonard Cheshire Foundation – Residential Care for Disabled People
The Littlewoods Organisation Plc
London Borough of Camden
London Electricity Board
Lontex Industries Ltd – Nylon Carpet Yarn Processors
Lowther Construction Ltd
Lucas Electrical Ltd, Switchgear Division
Luncheon Vouchers Ltd
Lux Lux Ltd – Knitted Underwear Manufacturers
Lyons Bakery Limited
Merchiston Sales and Marketing Ltd – Ferrous and Non-Ferrous Casting Manufacturers
Merseyside Passenger Transport Executive
Michelin Tyre Plc
Milk Marketing Board, Dairy Crest Creameries
Millers Footwear Ltd
Munther Steel Balls
Myers and Bowman Limited – Car/Vehicle Sales and Repair Services
National Girobank
NEI Nuclear Systems Ltd
Norseman (Rainwear) Ltd
Ogwr Borough Council
Paisley College of Technology
Penny & Giles Conductive Plastics Ltd – Measurement and Instrumentation Control Systems Manufacturers
Pitney Bowes Plc – Office Business Systems Manufacturers
Premier Footwear Ltd
Pullman Pans Ltd – Bakery Engineers
Reliance Systems Ltd – Communication Servicing Engineers
Roach Bridge Paper Company Ltd
Ross Foods Limited
Rowntree Mackintosh Plc (Norwich)
S & W Battery Charging Systems Ltd
Saville E S Limited – Lampshade Manufacturers
Saville Street Garage Ltd
Scarborough Borough Council
Staffordshire County Council
W W Stevenson – Milk and Dairy Produce Suppliers
Stratford-Upon-Avon Canners Ltd
Studio Morgan – Photographers and Video Services
Swansea City Council
Tameside Metropolitan Borough Council
Frederick Theak and Co Ltd – Mens Evening Wear Accessory Manufacturers
Theatre Royal (Plymouth) Ltd
Edward Thompson Group Ltd – Printers
W Tyzack Sons and Turner Plc – Manufacturers of Engineering Components and Hand Tools
Villiers Limited – Industrial Engine Manufacturers
Walsall Metropolitan Borough Council
Wellington Tannery Ltd
West Riding Automobile Co Ltd
District of the Wrekin Council
Andrew Wright (Aluminium) Ltd – Manufacturers of Double Glazing Units
Zurrer (Darwen) Ltd – Wirework Manufacturers

Manpower Services Commission MSC

Two Koreas start economic talks

BY STEVEN B. BUTLER IN SEOUL

DELEGATIONS FROM South and North Korea will sit down this morning at the truce village of Panmunjom to discuss bilateral economic co-operation. It is widely expected the talks will usher in a new chapter in the tense relationship between the two Koreas.

For the first time in many years, there are signs that both sides may be ready for serious mutual dialogue, however limited the scope.

Mr Song Han-Ho, director-general of South Korea's Office of South-North Dialogue, explaining his Government's position yesterday, said he believed North Korea's willingness to pursue talks on economic co-operation was related to Pyongyang's decision to open its economy and attract western capital.

By opening economic relationships with South Korea and reducing tension on the peninsula, Mr Song suggested, Pyongyang hoped to create a more favourable climate to attract foreign capital.

North Korea went to great trouble in late September to meet South Korean conditions for the delivery of flood relief goods through the Red Cross. "Clearly, the North wants to get something going," one analyst said.

South Korea too has welcomed the talks and the possible change in North Korea's attitude. But suspicions run deep.

South Korea is afraid North Korea may be using the talks as a device to improve relations with the U.S. or Japan.

Mr Song said it would be "counter-productive" for the development of North-South dialogue for the U.S. to open trade or other relations with the North prematurely.

When Japan lifted diplomatic sanctions against North Korea last month, it cited the North-South dialogue as one reason for the decision.

Mr Song said that South Korea would propose that trade between the two sides precede the establishment of joint ventures.

Work begins on Seoul's 1985 austerity budget

BY OUR SEOUL CORRESPONDENT

THE South Korean National Assembly's budget-settlement committee has begun deliberations on a proposed 1985 austerity budget.

Government officials have indicated that they would have preferred to freeze spending for a second year but have conceded that this would have put unacceptable strains on defence, education and local government.

Nevertheless, the current proposals remain very tight indeed.

It is being proposed that expenditure will grow by 9.7 per cent to around Won 11,400bn (about £11bn); but, taking account of the estimated 2 per cent GNP deflater, the overall budget is planned only to match the projected real growth in GNP of 7.5 per cent.

At the same time, the Government expects economic growth to lead to an 11.9 per cent increase in total revenues, reaching Won 12,300bn.

The resulting surplus will be used to offset deficits in the government's special accounts, which include price support for farmers and subsidies for the national housing fund.

The unified budget will nearly be in balance, with a projected deficit of only Won 10.5bn. A senior official of the Economics Planning Board said it was designed with two purposes in mind: to obtain price stability, and allow increases in the money supply to flow into the private sector.

In previous years, a budget deficit has been a major contributor to increases in the money supply, and rather than have to choose between inflation and resisting the flow of money to private businesses, the Government has chosen to limit its own spending.

Defence allocation, the largest single budget item at Won 3,825bn, will grow by 10.8 per cent, capturing a 5.5 per cent share of GNP. This is lower than the 6 per cent share of GNP that has gone to defence over the past decade.

Israel set for pull-out talks today

By David Lennon in Tel Aviv

NEGOTIATIONS on a withdrawal of Israeli troops from Southern Lebanon are due to resume at the frontier town of Nakoura today.

This follows Israel's decision to release three South Lebanese Moslem leaders whose arrest last weekend led Beirut to suspend the talks.

The Lebanese Government yesterday announced resumption of the military-level talks after intensive efforts by United Nations and U.S. officials to resolve the crisis which halted the talks after the first meeting.

Israel said initially that it would only release the Shi'ite leaders of the Amal militia if the Shi'ites undertook to halt their attacks on the Israeli occupation forces.

Jerusalem has now climbed down, acknowledging that only by releasing the prisoners could it get the talks restarted.

In what appears to be a compromise between the Lebanese demand that all the detainees be released and Israel's earlier refusal, three of the four men arrested in Sidon last Friday were released yesterday.

Mr Mamahoud Fakih, whom Israel claims is the Amal leader in Southern Lebanon, is still being held for interrogation, officials said. They denied reports from Beirut that he is to be released soon.

More than 500,000 Shi'ite Moslems live under the Israeli occupation of Southern Lebanon. The negotiations are to concentrate on the arrangements for policing Southern Lebanon after an Israeli withdrawal which is expected to take six to nine months.

Israel is insisting that the arrangements must ensure that Palestinian guerrillas will not return to Southern Lebanon and use it again as a base for launching attacks on Northern Israel.

Philippine opposition leader killed

By Emilia Tagaza in Manila

ANOTHER Philippine opposition figure was shot dead yesterday, less than a month after the fact-finding board that investigated the assassination of Mr Benigno Aquino published its findings.

Mr Cesar Climaco, 68, opposition mayor of Zamboanga City in the Southern Philippines, was shot in the head by a lone gunman who then escaped.

Mr Climaco ran under the opposition banner during the National Assembly (parliament) election last May, but never sat in the sessions.

He refused to take his oath as assemblyman, saying the National Assembly would merely be a rubber stamp for President Ferdinand Marcos. He would only sit in the assembly once Mr Marcos gave up his emergency law-making powers, he declared.

Meanwhile, the Aquino murder inquiry was further stalled yesterday when most of the members and lawyers of the fact-finding board refused to participate in a preliminary investigation being conducted by the Tanodbayan (Ombudsman).

Only the panel chairman, Mrs Corazon Agrava, and the panel's deputy general counsel, Mr Francisco Villa, are willing to heed Mr Marcos' order to assist the ombudsman.

The general counsel, Mr Andres Narvasa, said the ombudsman should call on the board and its legal panel only when it wants to clarify points in the board's reports, and only after the ombudsman has studied the reports himself.

The board issued two reports both concluding that the military conspired to assassinate Mr Aquino. The majority report named 25 military men it said had taken part in the conspiracy, while the other report specifically exonerated the armed forces chief.

The ombudsman must now determine if there is enough evidence in the Aquino case to warrant filing of criminal charges in a civil court.

BP in Mozambique oil hunt

BY IAN HARGREAVES

BRITISH PETROLEUM bas become the fourth oil company to join the search for oil off Mozambique.

The Mozambique Government said that following a recent offshore hidding round, BP had agreed to join Empressa Nacional de Hidrocarhonetos de Mozambique, the state oil company, in exploring a 10,000 square kilometre block in the country's southern offshore area. Two wells were drilled in this area prior to independence in 1975.

Last month, Standard Oil of Indiana agreed to explore the Zambesi Delta area of central Mozambique. Shell and Esso are looking for oil in the Rovuma River basin in the northern part of the country.

China to slow industrial growth, says Zhao

Zhao Ziyang

PEKING — China will put a brake on its high industrial growth as it moves into a period of drastic urban economic reform, according to Premier Zhao Ziyang.

He told Mr Cyrus Vance, the former U.S. Secretary of State, that expansion would not drop below 7 per cent a year but the 12 per cent rate expected this year would probably not be sustained, the official China Daily reported.

"We don't require such a high speed of growth during the seventh five-year plan (1986-90)," Zhao told Mr Vance, who is visiting China at the head of a big U.S. business delegation.

The Government has already given a broad outline of the next plan which is meant to consolidate recent gains in growth.

Zhao qualified earlier predictions by Deng Xiaping, the Chinese leader, that the reforms would be completed in at least five years.

Major targets were expected to be achieved in about five but reform of the country's distorted price, banking and monetary systems would take longer, he added.

Last month, the Communist Party authorised sweeping changes which aim to emancipate China's industrial and urban economy from stifling state control.

China must turn in a growth rate of at least 7 per cent a year on average until the end of the century if it is to achieve its goal of quadrupling output by the year 2000.

The Government has pinpointed prices as the key to reform of the whole economy but has said that to bring China's price differentials into line will be a complicated task.

There has already been concern among city workers with fixed wages that many prices will rise.

But Zhao said that if reforms were gradual, with the mooey supply in check and consumption levels held within productivity limits, uncontrollable inflation could be avoided.

The Government is still worried by its relatively low revenues and high subsidies to agriculture which effectively absorb the real cost of food to the urban consumer. The reforms are intended to solve the problem.

"We are more confident than we were in 1980. What we were worried about (then) was energy. However, major energy production, such as coal and oil, has been satisfactory." Zhao said.

China has already successfully applied more open economic policies to its agriculture which have resulted in several years of humper harvests.

Reuter

Secret ballots brought in for choosing party leaders

BY MARK BAKER IN PEKING

THE Chinese Communist Party bas begun introducing secret ballots and qualification rules for selecting senior party leaders.

The new system is designed to ensure the appointment of younger, better-educated and more talented officials and is promised to curtail the old system of back-room nominations for the top jobs.

The party newspaper, People's Daily has bailed as a democratic breakthrough the first election by secret ballot of one of China's 27 powerful provincial party secretaries.

In a front-page story yesterday, the paper said the experimental reform bad been a great success and would be introduced in other parts of the country.

The new secretary in Northern Shanxi Province was chosen after a series of three ballots among 300 cadres throughout the province.

Under guidelines set ont by the party Central Committee in Peking, the position was open to cadres aged between 50 and 60 who were graduates, wbo bad a good political record and who had demonstrated leadership qualities.

Nominations for the position were made in the first ballot. In the second and third polls, the number of nominees was reduced from 13 to six before a former provincial vice-governor, Bai Jinian, emerged as the most popular candidate.

The secret ballot election is a major departure from the previous system under which local officials were simply appointed by the Central Committee.

The Central Committee retains the power of endorsing the appointment and has said that the system of appointment by "personal recommendation" should be encouraged in some places, especially when talented officials are being stifled.

The People's Daily has indicated a determination by the authorities to curtall aome of the past abuses of political patronage in the distribution of senior party posts.

"This election has provided a very good experience in the reform of the cadre system and the strengtheniog of our leading bodies," the paper said.

"This will help the promotion of educated and able cadres and prevent the possibility of a leader choosing his own favourites.

"It is important when selecting cadres to pick not only those who are deferential towards their superiors, but also those who care about the interests of the people."

People's Daily said party officials involved in the Shanxi elections had resolved that "free voting is the embodiment of the democratic practices in the party's life. This conforms with the principles of Marxism."

Call to re-open Shanghai exchange

China's biggest industrial and export centre, shonld reopen its stock exchange to attract funds for economic expansion, the Shanghai's newspaper Liberation Daily says.

The paper carried a front-page article headlined, "Shanghai shonld be bold enough to set np a stock exchange." Shanghai's former stock exchange was closed after the 1949 Communist Revolntion.

Since 1949, most businesses and industries have been state-owned and operated. In reforms adopted on October 20 by the Government, centralised control on enterprises was relaxed.

The report did not, however, define the role of fnture stockholders in Shanghai. Deng Xiaoping, the Chinese leader, has said state ownership of industry will remain the cornerstone of bis policy, bnt he is making room for some private enterprise, especially small businesses.

"New York, London and Tokyo all have stock exchanges, the report said.

"It is quite reasonable and necessary for a hig city like Sbanghai to set up a stock exchange

AP

WORLD TRADE NEWS

UK exporters urged to update collection of payments in Italy

BY ALAN FRIEDMAN IN MILAN

BRITISH exporters facing payments delays in Italy are urged to make more effective use of electronic funds transfer systems and other banking channels.

Slow payments have been one of the principal factors discouraging British companies from doing business in Italy.

The report, drawn up by British diplomats in Italy, says that in recent years payment terms have ranged from six to 12 months from date of delivery to Italy. This, according to one senior British diplomat, has caused large numbers of UK companies to abandon hopes of penetrating the Italian market.

The overall UK market share of Italian imports has been consistently poor in recent years and is still less than 4 per cent. The record is somewhat better if UK oil exports are subtracted. This contrasts with West German sales to Italy, which last year totalled nearly 16 per cent, and French sales of just under 13 per cent of the total. Both countries are thought to be more patient in their approach to delays.

The document quotes British bankers based in Italy suggesting that UK exporters would improve their prospects of obtaining prompt payment by opening an external collection account with either the affiliate of a UK bank or with a major Italian correspondent bank.

The study notes that "prompt payments can never be absolutely ensured" but stresses that if exporting companies were to adopt the system of collection through banks they could at least be notified immediately if payments are delayed. The overall terms of trade, the terms of sale agreed between exporter and importer and the erratic Italian postal system all affect the issue of prompt payments.

The use, however, of bank collection accounts and faster communications could "go a long way towards securing payments on due date."

Banker calls for easier credit for Venezuela

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

VENEZUELA will need easier access to trade credit to facilitate an expansion of imports es its economy recovers, Sr Gustavo Marturet, president of the leading Banco Mercantil said in London yesterday.

Sr Marturet said his country, which recently concluded an agreement in principle to reschedule $20.75bn of commercial bank debt, does not need an immediate infusion of credit "but from a technical point of view the development of credit lines will be important for the future development of imports."

In the past Venezuela has done much of its import financing on an open account basis which does not involve bank credit, but it would like to switch its attention to trade financed by bank letters of credit.

Sr Maturet, who is leading a delegation of Venezuelan bankers on a visit to London sponsored by the Council on Invisible Exports, forecast that Venezuela's imports would rise slightly this year after slumping to $8.7bn from $12.6bn in 1983.

Eximbank of U.S. reports deficit of $343m

WASHINGTON — The U.S. Export-Import Bank reports a net loss of $343m in the year ending last September 30, op from $247m a year earlier.

Although the U.S. export credit agency is forecasting a pick-up in its lending activities, Eximbank officials said they expect there will be net operating losses again during the current fiscal year, and perhaps for several more years.

"Three years ago, we were borrowing money at around 15 per cent and relending it at 7½-8¼ per cent," said Mr William Draper, the bank president.

In recent years, the bank has increased its lending rates to bring them more into line with market rates. The U.S. also negotiated agreements with other industrial nations to set higher minimum rates for officially-backed export financing arrangements.

But Mr Draper said the beavily - subsidised interest rates offered by export credit agencies in the late 1970s had locked the Eximbank into o situation where it would be incurring operating losses for a number of years.

The bank said its direct loans to foreign borrowers for the purchase of U.S. exports totalled $1.47bn in the year ending last September 30, up from $845m a year earlier.

In addition, the bank's loan guarantees totalled $7.1bn in the 12 months compared with $8.5bn o year earlier.

The higher figure for 1983 inelnded a $1.5bn facility for Brazil.

Indonesia was the third biggest borrower last year, with a total of $162.5m in loans followed by Egypt with $155.7m.

Agencies

Frank Gray reports on the city's growing commerce with China

San Francisco's China link

Ms Feinstein: trip to China

THIS WEST coast city is taking advantage of the Peking Government's trade liberalisation policies in order to strengthen its position as tha most important gateway in tha Americas for trade with China.

San Francisco's ties with China, inherent in its large ethnic Chinese population and its geographic location, have grown dramatically in recent years as the city has served as North America's principal staging post for numerous Chinese trade missions and sales drives. At 160,000, this population has more than doubled since the late 1960s.

Chamber of Commerce officials point out that numerous consultancies specialising in Chinese affairs hava been set up in the city in recent years. Most of tho city's major banks and other international institutions now have departments with expertisa on doing business in China.

Tbe fact that San Francisco has long claimed to be a sister city of Shanghai was a factor in a trip to China, South Korea and Hong Kong taking place this week and next by Mayor Dianne Feinstein and 14 civic, trade and business officials.

It is the third trip to China in six years for the mayor. Shangbai is a key stop this week, where sbe will ask the Chinese port city formally to establisb its U.S. trade beadquarters in San Francisco. The mayor has already visited Peking where, earlier this week she met Premier Zhao Ziyang. Other stopovers includa Hong Kong, wbere, this weekend, ber mission meets with the Governor, Sir Edward Youde, and Seoul.

"San Francisco is a leader in Pacific Rim activities, and this trip will belp us to strengthan that role," she said before ber departure.

The visit follows several recent trade accords between Chinese regions and agencies and San Francisco aimed at boosting the bilateral trade link.

The province of Guangdong has signed an agreement to set up China's first regional trade mission in the Americas. The agreement calls for Gnangdong to establish a permanent trade centre in San Francisco complete with a diplomatic-level delegation that will be empowered to negotiate trade deals.

A proparty site has already been selected and the full mission is expected to be set up early next year, say city officials. Tha Guangdong office will add to more than 70 consular status offices already in San Francisco.

Tha San Francisco Port Authority has also signed a four-year agreement with the Sbanghai office of the China Ocean Shipping Company (Cosco) to expand freighter services between the two ports. Cosco began sporadic services in 1981, but under a new agreement it expects to begin regularly scheduled freight services when it takes delivery of new freighters now under construction in West Germany.

The flow of goods so far indicates the nature of China trade. Incoming goods have been raw materials, such as cotton, foodstuffs, rottan furniture, rugs and basic hardware goods. Outgoing materials have mainly been heavy industrial equipment, says a port official.

Hong Kong to have shipping register

HONG KONG — Hong Kong's governor, Sir Edward Youde, said yesterday that the Sino-British draft agreement on the colony's future provides for the establishment of an independent shipping register after 1997.

Shipowners said his comments were a clarification of the occord's references to sbipping and were the first official indication that the territory would be allowed to operate an independent register after Hong Kong is returned to China.

Some local shipowners bave expressed concern because Hong Kong's existing shipping register is under British anthority. In recent weeks, they have pressed for the immediate establishment of a Hong Kong register.

AP-DJ

Taiwan accepts Siemens tender

BY BOB KING IN TAIPEI

THE TIWAN Government bas decided to award a multi-million-dollar contract for telecommunications switching equipment to Siemens of West Germany in the face of enormous controversy over the German company's bid.

The Central Trust of China, which awards contracts on major government procurements, gave Siemens the nod despite claims of dumping from other multinational participants in the tender and despite uncertainties over bow the equipment will be valued for tariff purposes.

The tender, for 90,000 lines of mobile digital telecommunications exchanges, was first let by the Telecommunications Bureau more than a year ago, but was later withdrawn. When the bidding was reopened last March, Siemens lowered its bid by about a half, from roughly $30m to $14.7m, prompting cries of foul from othe participants, wbo incInded ITT and GTE or the U.S., and L. M. Ericsson of Sweden.

Siemens justified its drastic price cuts by saying that it had removed "promotional costs" from its original bid.

Taiwan customs must still decide wbether to value the Siemens equipment at its fair-market price or at the value of tha contract.

● Ford of the U.S. plans a $40m expansion of its investment in Taiwan that will enable its local affiliate, Ford Lin Ho, to begin exporting small cars within two years.

The exports will mark a first for Taiwan. Local assembly operations, which include joint ventures and technical co-operation with such multinationals as Nissan, Honda, Renault and Peugeot, have traditionally targetted their output at the local market only.

A proposed venture between Toyota of Japan and several Taiwanese companies, which was to have exported as many as 150,000 small cars a year, fell through two months ago when the Taiwan Government and Toyota failed to resolve differences over export ratios and timetables for technology trnsfer.

Ford will expand its production from roughly 40,000 cars a year to 90,000 by May 1986. Of this total, 30,000 cars a year will be exported.

Romania offers to instal Tay engines

ROMANIA is stepping up its bid to bny for itself Rolls-Royce's newest aero-engine, tha Tay, by promoting sales of the Tay elsewhere in the world, David Buchan writes.

The Romanian aircraft industry was the first to want to put Tay engines on to BAC One-Eleven jets, which it has been building since 1978 in collaboration with the UK. But it has now offered to install Tay engines on One-Elevens owned by developing countries which might not have the industrial skills to do this.

Some Middle East owners had already shown interest in Romania doing engine changes for them, according to Mr Mircea Costescu, marketing director for the Rombac project, which is building One-Eleven airframes under licence from British Aerospace (BAe) and Spey engines under licence from Rolls-Royce.

Senior Rombac executives say their negotiations to buy, and eventually make under licence, the Tay are "just at the beginning." They claim both their UK partners "are interested in the deal."

Austrians to curb re-exports to East

By Patrick Blum in Vienna

AUSTRIA WILL prosecute companies and individuals re-exporting goods without the opproval of the company or country of origin in a move to curb exports of sensitive technology to the East bloc.

Until now, the only penalty imposed on a company known to beve violated trade restrictions by re-exporting imported equipment without prior agreement from the country of origin was to deny the company another import licence.

The new rule to be included as an amendment in Austria's trade law by the end of the year, was announced yesterday by Herr Leopold Gratz, the Foreign Minister, who described the move as an "autonomous Austrian decision" which bad not been negotiated with any other country.

But it will go some way to appease the U.S. which had put increasing pressure on the Austrian authorities to tighten op controls over exports of sensitive technology. The U.S. Administration has repeatedly claimed that lack of controls in Austria allowed sensitive equipment to be transferred with impunity to the East bloc.

Under the amended law, the Trade Ministry will issue import certificates to companies that require them in order to get an export licence from the country from which the goods are being purchased. Tha ministry will then be responsible for ensuring that conditions set up under the import licence are adhered to.

Saudis cut oil output by 500,000 b/d

SAUDI ARABIA is currently producing 3.6m barrels of oil a day, 500,000 barrels less than last October, Sheikh Ahmed Zaki Yamani, the Kingdom's Oil Minister, said in Riyad yesterday, Maurice Samuelson reports.

In an interview with AP-DJ, the Saudi Minister also said that the October 29 agreement by Opec members to cut their overall production ceiling from 17.5m b/d to 16m b/d appeared to be effective in holding world oil prices.

Spot prices for Saudi and other Opec crudes could rise "well above" their official levels before Opec's next meeting, scheduled for December 19, and Opec could then return to the 17.5m b/d ceiling.

UK NEWS

Scargill's will to win rallies his miners

BY JOHN LLOYD, INDUSTRIAL EDITOR

MR ARTHUR SCARGILL, president of the National Union of Mineworkers (NUM), attended a lunch-time meeting yesterday after his rally in South Wales the evening before and in Birmingham last night. Anyone other than Mr Scargill would have been depressed.

Behind the miners' welfare club where the meeting was held, in the Staffordshire village of Rugeley in the English Midlands, the cooling towers of a power station poured steam into the sky. From Lea Hall colliery, next door, coal shuffled along conveyors into the maw of its boilers. In front of the club National Coal Board (NCB) trucks whined downhill in low gear, carrying more coal into the station from an open-cast site.

The NCB says 90 per cent of Lea Hall's 1,700 miners are working. Mr Tom Gillan, one of the two lonely pickets at the colliery gates, reckons 200 are striking – "the hard core." This is a working area. A visit from the NUM president with Mr Peter Heathfield, the union's general secretary, is a rare occasion.

The two had just come from South Wales where they sat before about 5,000 Welsh miners and watched Mr Norman Willis, the general secretary of the Trades Union Congress, being howled into inaudibility for condemning violence. They had heard the latest back-to-work figures on the radio of the NUM Rover car as they were ferried north. They ignored it. The will of the leadership now seems to be all. They have put their faith in their ability to hold the line by sheer force of oratory.

Mr Scargill's speech must be as familiar to him as a comedian's patter. "The coal board has lost £4.5bn and 58m tonnes of coal ... do you want to lie down and let them close your pits, or stand and fight to save them? ... if you'd listened to me two years ago (when he called unsuccessfully for a national strike) you wouldn't be in this position now."

Yesterday's peroration was: "When this dispute is at an end; when we've won the fight; when we've won the struggle for the union: the honour will belong to you. You will go back to work in the knowledge that you've been privileged to be part of the greatest victory of modern times."

The audience clapped and cheered and some began a ragged chorus of "We will win."

Union pledged to defy law over car strike

BY DAVID BRINDLE AND ARTHUR SMITH

THE TRANSPORT and General Workers' Union, Britain's largest trade union, yesterday placed itself in direct conflict with the Government's Trade Union Act 1984.

Leaders of the union made clear their intention to defy a High Court order to withdraw a strike call to members employed by Austin Rover until a secret ballot has been held under the terms of the Act.

Mr Moss Evans, the union's general secretary, called a press conference to announce that the Austin Rover strikers had official backing, that the union was aware it could incur "punitive" fines for saying so, and that he had no intention of signing any cheques to pay such fines.

The union's defiance came as Austin Rover claimed further evidence that the eight-day-old pay strike was crumbling. The company said car production had resumed at its Longbridge plant at Birmingham after 1,100 workers crossed picket lines there.

According to the company more than one-third of its 28,000 hourly-paid workforce was at work, 11 of its 14 factories were working normally and there were two engine assembly tracks running at Longbridge in addition to the limited Metro production.

At the company's two assembly plants at Cowley, Oxford, 1,000 workers reported for duty. This followed events in the High Court on Tuesday when the Amalgamated Union of Engineering Workers agreed to a seven-point repudiation of the strike.

In contrast, the transport union's finance and general purposes committee yesterday unanimously pledged support for strike action by the union's 16,000 members at Austin Rover.

This could lead to the imposition of a fine if, as expected, Austin Rover goes back to the High Court next Monday with a contempt action. Failure to pay any fine could, in turn, lead to sequestration of the union's assets.

According to its balance sheet of December 31 last year, the union had net assets of £54.2m including £3.4m cash at bank and in hand.

Further court action may be averted, however, if the other unions involved in the dispute outvote the transport union and call off the strike at a meeting of the joint national committee tomorrow.

Austin Rover has offered its workers a pay deal worth 7.8 per cent this year and 7.2 per cent next year.

Earnings outpace increase in prices

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

LIVING STANDARDS of those in work rose by 3 per cent in the year to September, according to official figures out yesterday. They showed that average earnings rose by 8.4 per cent in the period, compared with a rise in the cost of living after tax changes of 3.5 per cent.

The Department of Employment estimated that the underlying rate of increase of average earnings, after adjusting for special factors including the miners' strike, was 7½ per cent. The rise of earnings in manufacturing industry was 9.1 per cent, with the underlying rise estimated at 8½ per cent.

The continued tendency for earnings to outstrip price rises is a worry for the Government. In the longer term large pay increases could be inflationary. Next year, however, the Treasury believes that companies will continue to absorb extra wage costs by seeking higher efficiency.

They believe this will result in a slower rise in the number of jobs available than would otherwise have been the case. Figures from the Confederation of British Industry (CBI), also released yesterday, show that average wage settlements in manufacturing industry have been 6.1 per cent.

A majority of settlements recorded by the CBI's pay databank have been in the 4½ per cent to 6½ per cent range, but a third were in the range of 6½ to 8½ per cent.

The CBI says that only 5 per cent of pay settlements in manufacturing industry since the beginning of August have included agreements for increased holidays.

This is lower than at the same time in any other pay round and compares with the 16 per cent of settlements including holiday provisions in the 1983-84 pay round. Only 3 per cent of the settlements recorded in the present round have included a cut in basic working hours.

Figures also show a further acceleration in the rate of increase of labour costs, with the rise in wages and salaries per unit of output in the 12 months to the third quarter of this year at 6.2 per cent.

This compares with 4.8 per cent in the three months to July and only 0.8 per cent in the final quarter of last year. British labour costs are rising substantially faster than in the main competitor countries, notably the U.S., West Germany and Japan.

● Independent forecasters are taking a more pessimistic view of British economic prospects than the Treasury, an FT survey of 17 forecasts shows.

The average prediction of these forecasters is that national output will grow by about 3 per cent next year, with inflation at 5¼ per cent by the fourth quarter of the year. The Treasury is predicting higher growth at 3½ per cent for next year, with the inflation rate falling to 4½ per cent by the end of the year.

In its autumn statement on Monday, the Treasury was also significantly more optimistic about Britain's trading performance next year. Its prediction of a £2.5bn current account surplus on the balance of payments compares with a consensus of £1.4bn, although some forecasters, notably Liverpool University and the broker Simon and Coates, are predicting a surplus of nearly £3bn.

Details of the FT comparison of forecasts will be published at the end of the month when the latest predictions from the National Institute of Economic and Social Research and the CBI can be included.

Nuclear plants lose cover for insurance

BRITAIN'S nuclear power stations are no longer insured against damage or the effects of accidents, after a disagreement between the Central Electricity Generating Board (CEGB) and the London insurance market over the size of premiums.

The decision, which prompted critical questions from MPs at a meeting of the House of Commons Energy Committee yesterday, means that the board is in effect insuring itself against the risk of damage to its own installations, and against any risk of injury to other people or its property in the event of an accident.

Mr Fred Bonner, the board's deputy chairman, said the industry had an excellent record both on safety and plant maintenance, which had meant the CEGB and the South of Scotland Electricity Board paid large premiums each year with little in return.

□ THE UK MARKET for electronic equipment and components will grow from $18.6bn last year to $25.5bn by 1988, when it will equal West Germany as the biggest national market in Western Europe, according to a report by Benn Electronics Publications.

The study says on the basis of recent trends British-based manufacturers are unlikely to benefit as much as overseas competitors. The UK's large deficit on trade in electronic products may increase further.

The report points to an "alarming" rise in Britain's electronics trade deficit from $1bn in 1979 to $4.1bn last year. During that time the UK's share of the total electronics trade deficit of Western European countries rose from 25 per cent to 45 per cent.

□ ERNST & WHINNEY, one of the world's leading accountancy firms, resigned the £1.4m audit of Dunlop Holdings. Its resignation follows the appointment of Price Waterhouse to take over the audit and sweeping changes on the Dunlop board.

The firm had audited Dunlop on a joint basis since the early 1920s and had been sole auditor since 1972.

Price Waterhouse has been reviewing Dunlop's capital structure and operations since the beginning of 1983. Dunlop hopes to announce a capital restructuring in the next few weeks.

□ AT LEAST £75m was invested in more than 400 UK companies under the Government's Business Expansion Scheme in 1983-84, Mr John Moore, Financial Secretary to the Treasury, said.

The money had come from about 10,000 individual investors and well over half of the total went to "young or very young start-up companies."

The scheme enables individuals to claim relief at their top tax rate for investment in unquoted UK trading companies, provided the shares are held for at least five years.

□ DEMAND for tourist accommodation in London was being frustrated because of a lack of hotel capacity, Mr Jonathon Bodlender, a leading tourism consultant, told a London conference.

UK NEWS

ICI takes court action over tax breaks for rivals

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

IMPERIAL *Chemical Industries* (ICI), one of Britain's largest companies complained to the High Court yesterday that the Government had given tax concessions to its UK petrochemicals competitors in breach of English and EEC law.

Opening an unprecedented legal action against the Government, Mr Robert Alexander, QC, said the Government had engaged in "an unacceptable exercise in economic gymnastics" in giving what amounted to subsidies to Shell, Esso and British Petroleum (BP).

Provisions had been introduced into the 1982 Finance Act solely for the benefit of the oil companies and appeared to have been "tailor-made" for them, Mr Alexander said.

They had been introduced after Shell and Esso had told the Government that, without financial assistance from it, the companies' petrochemicals plant at Mossmorran in Scotland would have to be abandoned.

Mr Alexander said ICI had protested to the Government that the new arrangement, made when the market was depressed and companies were fighting for survival, would have serious and adverse consequences for ICI's petrochemical plant at Wilton on Teesside, north-east England, with its 9,000 employees.

The arrangement related to the price at which the gas ethane, from which is produced ethylene, used in the manufacture of a wide range of petrochemical products, could be sold by North Sea companies to their petrochemical associates.

ICI, which produces ethylene from naphtha, which is not covered by the arrangement, said the oil companies had been enabled to reduce their tax burden by selling ethane at about half the market price.

The company asked Mr Justice Woolf to make a series of declarations to the effect that the government was acting in breach of its *statutory duty, and in violation of* the Treaty of Rome, by giving discriminatory aid to the oil companies which distorted competition and affected trade between EEC member states.

The Government had failed in its duty to get a ruling from the European Commission on whether or not the arrangement was compatible with EEC law, ICI contended.

ICI said that, under the 1975 Oil Taxation Act, the market price for North Sea oil and gas had been fixed for tax purposes at the mid-point of each month in respect of deliveries made in the month.

Under the new provisions the oil companies could elect to have their sales valued, not under the 1975 Act, but under a procedure enabling them to chose a valuation date which could be the date of a contract made at any time during the preceding two years.

The effect of that was that the price accepted for tax purposes could be under half the prevailing market price at the time the company made its election.

Mr Alexander said Shell and Esso had begun the Mossmorran project in 1976, when forecasts for the demand for ethylene in the 1980s were high.

By 1981 the Western European market was depressed and suffering from over-capacity and the costs of Mossmorran had escalated from about £115m to about £500m.

Shell and Esso negotiated an arrangement with the Government which had the effect of reducing the oil companies' profits, and therefore their tax, and helped them to finance the Mossmorran project.

BP negotiated a similar arrangement in respect of its petrochemical plant at Grangemouth, Scotland.

Mr Alexander remarked that Lord Bruce-Gardyne, then Economic Secretary to the Treasury, had later said that the oil companies had been "massaged" with a special tax regime.

Counsel said the Government had declined, on the ground of "taxpayer confidentiality," to disclose *the ethane price the Inland Revenue* would regard as acceptable. It was, however, clear that it had regarded the appropriate price as well under half that prevailing in 1982.

The Government's expert evidence was that the appropriate price was about 10p per therm, when the market price was over 20p per therm.

"We therefore have a position somewhat unusual in fiscal affairs, that the Revenue are contending that the right approach to the valuation of gas sold in 1982 under a new contract would lead to the same price as for gas sold under a *1975 contract," said Mr Alexander.*

The irony was, he continued, that by 1981 the Government had regarded North Sea gas prices as so unrepresentative of the market that it had imposed a windfall tax on the profits the British Gas Corporation derived from those unrealistic prices.

The hearing, which is expected to last four weeks, continues today.

Howe loses bid to prevent aid cuts

BY PETER RIDDEL POLITICAL EDITOR

A LAST-MINUTE attempt by Sir Geoffrey Howe, the Foreign Secretary, to secure extra funds to prevent a cut in overseas aid next year, was yesterday rejected by Mr Nigel Lawson, the Chancellor of the Exchequer and Mrs Margaret Thatcher, Prime Minister, as pressure on the issue increased on Tory MPs.

Sir Geoffrey sought a commitment that additional money would be provided to compensate for the increased costs caused by the fall in the value of sterling. This would have been about £20m and would have meant that a real cut in the aid programme could have been avoided.

Mr Lawson and Mrs Thatcher, however, apparently insisted that there could be no adjustment in the £1.07bn Foreign Office and aid budget for 1985-86 which was agreed by the Cabinet last week. They said savings should be found from within this total as other departments were doing.

Sir Geoffrey was persuaded to go back to the Treasury as a result of pressure and the views of other ministers. Final decisions on the distribution of the Foreign Office budget have been held up and a full House of Commons statement is unlikely until next week.

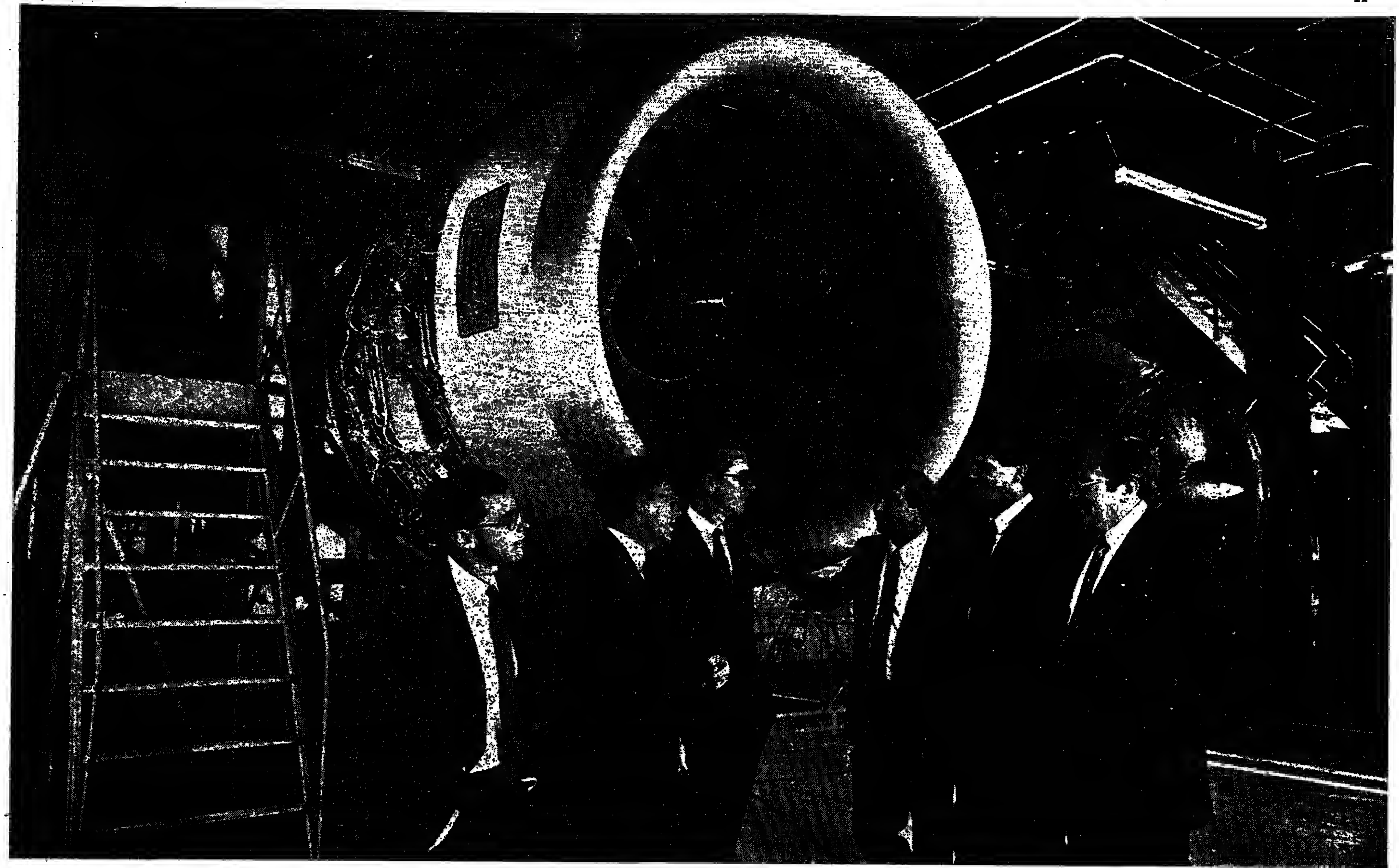
Mr Timothy Raison, Overseas Development Minister, has been put in a difficult political position as feelings are running high over a wide range of Tory MPs, not just the small group normally involved in aid issues. MPs have been receiving large numbers of letters from their constituents attacking any cut in aid in view of the publicity over the Ethiopian famine.

One paradoxical result of the row may be to make it more likely that the Government will soon give notice of its intention to leave Unesco at the end of next year, which has been urged by many Tory MPs.

Failure to announce withdrawal, and its associated savings, might undermine Conservative back bench support for the maintenance of the aid budget. In the Commons yesterday afternoon Sir Geoffrey suggested that any cuts in the aid programme would be "modest," and that there would be no reduction in the humanitarian aid to poorer countries.

● A Foreign Office charter flight will leave Britain today for Addis Ababa carrying 10,000 blankets, polythene sheeting, *feeding kits,* and two specially converted Land Rovers equipped to carry out emergency mechanical repairs to the *transport fleet ferrying food and* emergency supplies within Ethiopia.

Editorial comment, Page 18



The Chase Partnership at work with Rolls-Royce at Derby, in front of the new RB211-535E4. Shown from left to right: Christopher Rocker, vice president, Country Corporate Manager, Chase UK; Paul Spencer, Group Treasurer, Rolls-Royce; Michael Kruse, vice president, Aerospace Division Executive, Chase New York; David Wicks, Head of Marketing, Rolls-Royce; John Rose, Head of Sales Financing, Rolls-Royce; Geoffrey Ball, vice president, Export Finance, Chase UK.

MANAGEMENT: Marketing and Advertising

EDITED BY CHRISTOPHER LORENZ

Book publishing

M&S stirs up a hornets' nest

Walter Ellis explains the UK retailer's foray into paperbacks

Hugh Routledge

Bestsellers in the M&S format

BOOKSELLING in Britain has long-since ceased to be a cosy trade, in which Dombey and Son and similar "tried and trusted" titles are sold, leather-bound, to enthusiasts. There are hustlers in the High Street, and cherished marketing conventions are under threat.

Last week, Marks & Spencer, the UK retailing giant, gave the Net Book Agreement (NBA), under which the trade fixes prices, a bloody nose by introducing its own range of best-selling paperback novels at highly attractive discounts. The 11 titles—all published by Pan Books—are, moreover, better printed and in a superior format. In short, customers get more for less.

The trade, or much of it, is outraged. Booksellers do not wish to be seen to "rip off" their customers, especially when they are bound to charge the prices they do and have no access to the preferential product.

The Net Book Agreement is a vestige of the old resale price maintenance regulations dismantled by the efforts of former Conservative Prime Minister, Edward Heath. Publishers had argued that an outbreak of price warring among booksellers would result in an emphasis on key titles only and a reduction in the overall availability of books. It would, they said, be a self-inflicted "tax on knowledge."

In the 1980s, paperback volume sales have been under threat anyway from book clubs—which can sell up to a quarter of a million hardback copies of a promoted title—and to a lesser extent from own-brand omnibus titles, widely available in Marks & Spencer, W. H. Smith and other outlets. "Straight" hardbacks, costing an average of £8 in the shops, have always been a mainstay of publishing. These, though, often lead to back-to-back agreements with the paperback publishers, many of which are actually controlled by the hardback majors. Pan, for example, is jointly owned by Collins, Heinemann and Macmillan.

Pan is willing to sell its new special line books to M & S at less than it would charge established customers because its overheads in relation to the project are small. The print-run, admittedly, is limited, but the deal is on a fixed-sale basis, as against the normal sale-or-return, and there is no requirement for a sales team to visit M&S branches up and down the country. Buying is organised centrally. In addition, Pan is naturally keen to encourage the experiment and is accepting a reduced profit margin.

Marks & Spencer's previous excursions into fiction have also offered customers good value for money. Omnibus editions of modern classics are, however, not seen as direct competition to booksellers hidebound by the NBA. It is the "bestseller" bandle to the paperback list that is causing principal concern.

The trouble with the M&S deal is that it is exclusive.

"It suggests to the public that booksellers are profiteering—charging a higher price for an inferior product," says Kirsten Schlesinger, of the Booksellers Association.

"By providing Marks & Spencer with a range of current fiction costing more elsewhere, Pan is penalising the trade which supports it most of the time," says Pat White, of Bookwise, the leading paperback wholesaler.

Martins, the news ...nts chain and a major customer of Bookwise, has refused to sell the standard version of the M&S range and has even asked that its existing stock be removed.

Defending its position, Pan Books says that it sees the M&S deal as an opportunity to lead new people into book purchasing. Nick Evans, promotions director, claims that the effect on the public of a selection of popular titles in a leading department store chain should be to encourage those same people to go out and buy others of the authors' works.

"We have to seek new markets for books. We have to be forward-looking. We want to sell books in every way we can."

The first 11 titles are: Gorky Park by Martin Cruz Smith; Master of the Game, Sidney Sheldon; Tinker Tailor Soldier Spy, John le Carre; The Amityville Horror, Jay Anson; Catch the Devil, Jack Higgins; Banker, Dick Francis; Avalanche Express, Colin Forbes; Coma, Robin Cook; Eagle in the Sky, Wilbur Smith; Penmarric, Susan Howatch, and Saigon by Anthony Grey.

It is planned that this list, if successful, should be followed by at least 11 more, possibly in six months' time, with all titles remaining on sale while stocks last.

Evans of Pan stresses that the deal with Marks is purely experimental. "We have told the trade that we are listening to their views and will monitor events closely."

Over at M & S, Adrian Shire, head of book-buying, is equally circumspect. He points out that only 13 stores initially will be carrying the fiction list—including two in London's West End—and that an assessment will be made early in the New Year.

Marks & Spencer has in fact been selling books since 1975, when it signed an agreement with Octopus Books to market non-fiction titles under its own St Michael label. (Ironically, Octopus yesterday announced its takeover of Bookwise.) At present, more than 100 titles are on sale, most of them covering such areas as cookery, gardening and fashion. There is some fiction, too, but up until now this has been confined to omnibus, hardback editions of such evergreen authors as Le Carre, Ian Fleming and James Herriot.

The first approach on paperback fiction appears to have come from Pan, which suggested many titles to Shire before a short-list was agreed from which the current crop was chosen.

While insisting that it is not mounting a takeover of British book sales, Marks & Spencer is unlikely to let things be where they fall. A successful experiment with Pan would almost certainly result in an extension of the scheme.

W. H. Smith, the country's largest bookseller, is also opposed to the scheme. Michael Pountney, Book Merchandise Controller, is against it "because it has the effect of making bookshops look expensive and is unfair to those shops which sell a wide range of books."

The initial print-run for the M & S range is for 5,000 of each title only, and there are just two prices: £1.50 and £2.25. The book trade in general has already sold each title in much larger volume, at prices ranging from £1.75 (for "Banker") to £3.50 (for "Penmarric").

Penguin Books has had several tie-ups with Marks & Spencer in the past and is currently negotiating others, but has not yet taken a position on straightforward paperback sales. "We would not want to do anything that would hit the regular book trade," says Marcus Clapham, of Penguin Promotions.

What the High Street dealer objects to is the fact that basic stock authors and titles are now to be available in a format to which he has no access and at a price which, by previous agreement with the publisher through the NBA, he cannot match. Once the Net Book Agreement is gone then anything goes, one trade representative said.

Profile of a Good Client

Feona McEwan on working relationships

"PEOPLE GET the advertising they deserve," says Bill Fulton, chairman of Sony UK, on the art of being "A Good Client." "If I see a bad ad I am more likely to blame the client. Over the years, I have seen us give a bad briefing and you realise when the agency comes back with the creative execution that it is all down to you. It is important, therefore, to do your real thinking at the beginning—terribly difficult but worth it."

Obvious enough perhaps. But the Bad Client is still thick on the ground—far from extinct. Every agency in town will doubtless recognise the species—the closed mind, the subjective opinions (for example, he insists on creative research, only to dismiss the results out of hand), not given to too much honesty (he hedges decisions and takes the roundabout route to speaking his mind), prone to buck-passing (when the heat in the kitchen is too great he scuttles for cover behind the cosy management front doors) and a tendency to work on the long-distance principle (farm out the problem and sit back waiting for the solution to land on his desk). Enthusiasm is not his forte.

So just how do Good Clients—for they do exist—go about getting the best from an agency, oiling their business needs in the process? Conversation with a dozen nominees threw up some basic, if often unheeded, ground-rules.

The initial onus rests squarely on the client, says Tony Hunt, international marketing director of William Grant, the distillers (an ex-Unilever, Beecham, Louis Gordon man). "You can't have a good agency relationship unless the client company has got its own management system properly structured," he says of the common failing of too many decision-makers playing "corporate football" with advertising. "Unless a company knows what its objectives are and what role advertising plays in meeting those objectives, there's a tendency to use advertising as a workboard."

Sound briefing won unanimous applause. Says Rosemary Lickfold, publicity manager of the International Wool Secretariat (and ex-Ford and J. Walter Thompson): "You need a reference point, a criterion for judging work (ie does it meet the brief?) rather than the more subjective 'I like/don't like it' school of judgment—though that has its place." A brief is preferable, she believes, to specifying results. "You can't have preconceived notions about the form of advertising you want because inevitably good advertising takes you by surprise. Very often the agency will take the brief a stage further.... again, I suppose, what good advertising is about."

What's more, briefs are rarely brief. "There's no such thing as a document in an envelope," says Brian Bowler, sales and marketing director of Audi Volkswagen. "A brief is a total process. It took us almost a year really to understand each other," he says of his new agency, Bartle Bogle Hegarty. The company should know a thing or two about advertising—its 20-year-plus relationship (which still continues) with its other agency, Doyle Dane Bernbach, is one of the industry's historic successes.

Personal chemistry accounts for the best agency/client relationships. "This means being able to insult each other, and that works both ways," says Fulton, who has his own litmus test for this. "Imagine it's eight at night, you've had a lousy week, and you can't go home until you've solved the problem in front of you, and you're with these guys. How do you feel about it . . . ?"

The personality check goes further. "It's important to know the people who run the agency you work with. Only accept people on your business who care about it," says Tony Hunt. And if personality clashes arise, find a new team within the agency if possible instead of (as does happen) firing the agency. "That's one of the most disruptive things you can do in a year's business—it can cost a company 25 per cent effectiveness in the first year and about 10 per cent in the second. Like divorce, it's expensive."

Access to many areas of a client's business (beyond merely the marketing department) plays a role in developing good advertising. "If you have the self-confidence to let the agency have access to other people in your business—in our case to go to the distillery, speak to the distributors, soak up the atmosphere," says Hunt, "they may pick up nuggets of information you missed. . . ." "We expect similar wide access to the agency," says Bowler, "more than just contact between account people and managing directors."

"The root of any partnership, marital or business is the full and frank exchange of information, implicit trust and goodwill between the partners, built up by individuals over time," says Kelloggs' UK chairman, Ross Buckland. "This means letting the agency get close to the weaknesses as well as the strengths," says Tony Hunt, "and they in turn will tell you about any mistakes straight away." "I'm a great believer in letting the agency know everything, though it's caused some heart attacks along the way," says Bill Fulton.

But honesty stops short of negative nitpicking. "We do our utmost not to nitpick," says Peter Wilson, joint managing director of Gallaher UK, with famous campaigns like Benson and Hedges, Hamlet cigar and now Winston behind him. His view, which agencies appreciate, is that they are the professionals and it's up to them to do the advertising, though they have to earn that respect. Successful advertising, in his book, means "the brands move on" and the more that happens the more the agencies are given their heads.

Criticism should be constructive. "You should be able to dismantle an agency if you don't approve of some of its work," says Hunt. "They might feel irritated, but they go off fired up to get it right next time." Or as Fulton puts it: "If you're being critical, you must know why. Give good marketing or advertising reasons why. I don't like the chairman's wife syndrome. If the agency can argue better . . . fine."

An intrinsic element in the trust between agency and client, believes Peter Gittoes, head of advertising services at Barclays Bank, and himself a former adman, is the knowledge that you, the client, "will fight very hard for a good piece of creative work"—which means convincing the many different voices within your own client company.

"Since there are a zillion ways of doing an ad, of course there will be differing opinions. You need courage, because you can get beaten up internally. Many inside the company can be leery about a lot of advertising if it's unusual; they often have preconceptions about what it should look like. They are oversensitised (sic) internally which makes them more protective and nervous—whereas the consumer who gets £3bn worth of advertising washing over him a year is infinitely undersensitised to our advertising."

A healthy dose of enthusiasm—"difficult if you're British," says Hunt—is also vital for extracting the most from your agency. "Allow yourself to tell them when they're bloody marvellous," he says. "Judging by the shock on their faces when presenting, it doesn't happen too often." It's the other side of being able to express a genuine dislike.

The last word goes to Birds Eye Wall's marketing director, Keith Jacobs, who in a recent paper on the subject of choosing an agency reflected that "maybe, like another, interesting kind of relationship, it is more for doing than for debating, and when it is right, both parties know it."

TECHNOLOGY

EDITED BY ALAN CANE

MARCONI AND RACAL DEVELOP SIMULATORS FOR SHIPPING

Cruising with computers at the helm

BY GEOFFREY CHARLISH

A £1.5m SHIP simulator, developed jointly by Marconi and Racal, is to be supplied to the Finnish Technical Research Centre near Helsinki.

It will be used to train deck officers to manoeuvre ferries and other ships in the crowded island waters of the Gulfs of Bothnia and Finland. It is a further development of a simulator developed by the two companies and installed at the University of Wales Institute of Science and Technology.

The "hands-on" part of the simulator consists of a fully-equipped ship's bridge together with a console at which the instructor sits to put trainees through exercises. The bridge and exercise control equipment has been developed by Racal SMS of Chessington, Surrey, and includes two radar simulators.

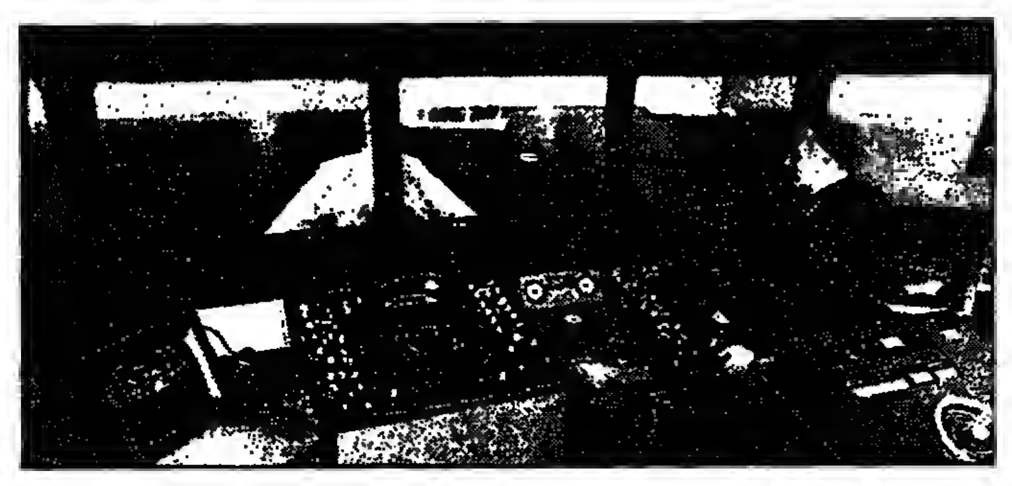
The bridge equipment includes naviation aids, autopilot, engine controls, a range of communication systems and all the usual controls and instruments.

The simulator displays a forward view from the bridge extending from 30 degrees astern of port to 30 degrees astern of starboard — a total coverage of 240 degrees.

By using seven colour television projectors arranged on a circular arc to throw images on to the back of a 240 degree cylindrical screen, Marconi Command and Control Systems of Frimley has been able to present a wrap-round" forward view from the bridge which alters appropriately as the trainee alters the speed and course of his vessel. At the centre of the display, the forward view of the ship's deck is produced from a fixed slide projector.

The scenes are generated by Marconi's Tepigen image system, entirely within a computer. No films or television recordings are involved, although the scenes are based on the known topography of shore lines, harbours, jetties, buoys, beacons and other ships.

Modern electronics and software are capable of generating such scenes in great detail — military flight simulators often do this, but the expense is considerable. The Marconi/Racal ship simulator designers have provided just enough detail for training purposes, cutting the cost.



Seven colour television projectors are arranged in a circular arc. These project images on to the back of a 240 degree screen. The view seen inside the bridge alters as the trainee alters the ship's course

Modern electronics and software are capable of generating detailed scenes

Even so, visitors to Marconi's Leicester plant are being sailed around the Finnish islands or up Southampton Water with a convincing degree of reality.

Other ships pass in the night, dawn breaks, fog comes down and lifts, and soon one perceives that even the passing waves are being simulated according to the weather conditions. "We can do a force eight gale if you like," said one of the engineers.

These marine systems are assuming almost as much importance as their flight and military counterparts. They are cutting the cost of achieving higher standards of training and safety as the maritime world, conservative as it is, begins to see the same advantages that the flyers first saw some 40 years ago.

Training on a marine simulator can cover potentially disastrous situations that arise at sea from failure of engines or rudder, loss of communications, bad visibility or trouble caused by another ship ignoring shipping lanes.

Students can study the handling of unfamiliar ships or can get used to special situations such as shallow water or other ships passing at close quarters. The ship environment is totally controllable and embraces such variables as water depth, wave characteristics, tides, sandbanks and wind profiles. Engine vibration and ship pitch/roll are possible, but are expensive, involving the kind of hydraulics and mechanics used on flight simulators.

The ship itself is simulated in terms of propeller pitch, loading and trim, engine and thruster characteristics, hull hydrodynamics, and the interaction of propeller, hull and rudder. Mathematical modelling of the ship is based on techniques developed at the UK's National Maritime Institute and the University of Wales.

The software deployed by the two companies is to be sold in modular form to allow customers to spend only what they consider adequate for the application. It can be used for all manoeuvering regimes and can sail the ship into a port and berth or moor it.

A number of other ships can be shown during an exercise, some under instructor control so that their speeds and courses can be altered. Some can even be provided with realistic stern wash and bow wave effects.

The facilities do not have to be decided at the factory—the customer can create his own ship models simply by selecting different magnetic disks.

While an exercise is under way, essential data is recorded and can be replayed later, at high speed if desired, allowing detailed analysis of the "run." Essential feedback is provided on the performance of the ship and the behaviour of the students.

Marine systems are assuming almost as much importance as their flight and military counterparts

Throughout the run, the control, co-ordination, and interface of the system with the bridge is handled from the instructors' control console. The system is set up and the exercise controlled from here; the instructor sees the same radar display, driven from a digital coastline and ship echo generation system.

The controller is able to start, run, freeze and replay the exercise and the console is designed for ease of operation while yielding maximum flexibility.

SECURITY IN THE HOME

Egg-shaped watcher marks its ground

BY PETER MARSH

THIEVES in the U.S. had better watch out. From next summer, people who break into warehouses and other buildings run the risk of being set upon by a robot on tracks that moves as fast as a man and sprays tear gas on people it dislikes.

The machine, shaped like a giant egg slightly less than a metre high, is the creation of Actronix, a company in Dallas. Formed two years ago, the enterprise has spent $500,000 on developing the sentry robot, called the Actron Wolf, and a second robot for lifting loads, christened the Actron Bear.

Actronix has recently spread its wings further by acquiring a small company in Golden, Colorado, that encountered severe financial problems after developing a range of small robots for use in homes and schools. The Texas company plans to raise up to $2m over the next year to inject into RB Robot, which filed for bankruptcy after selling 800 robots in two years.

David Willis, a member of the board of Actronix who is the new chief operating officer of RB Robot, says he will raise the money from venture-capital organisations. Mr Willis is president of one such company, Entertech Ventures.

Mr Willis expects the Wolf to appeal mainly to enterprises such as security companies who could employ the machine in the place of human guards.

The $10,000 device runs on an electric battery and is programed with a home computer, for example an IBM or Apple machine. It can be given a digital code that describes the layout of a room or interior of a building. The hardware recognises objects with a sonic torch that emits ultrasound and picks up the rebounds.

If the Wolf detecs an intruder, it can sound an alarm either by activating a telephone circuit or emitting a screeching sound. Alternatively, it can give chase, possibly squirting the intruder with Mace or tear gas.

Mr Willis thinks that most customers will choose not to arm the device for fear of accidentally disabling people who are not criminals. "We are a bit nervous of how aggressive it can be," he says.

The $8,000 Bear is a more conventional robot with an arm that can lift up to 150 kg. Like the Wolf, it can also roam around on rubber tracks. Actronix will sell the machine to companies in, for example, the transport industries that with the device could unload trucks.

Actronix, which has only two full-time employees, has so far concentrated on developing its machines and has yet to clock up a sale. It was founded by Ernest Severin, who worked for Texas Instruments before forming companies in the area of computer-controlled machine tools and computer-aided manufacturing.

If the Wolf detects an intruder, it can sound an alarm or emit a screeching sound

Mr Willis says that the acquisition of RB Robot will broaden the product range of Actronix. RB Robot became one of the leaders of a small group of U.S. companies that sell small, "personal" robots. The company raised $2.4m in a public offering in June 1983 but collapsed earlier this year with debts of about $1m.

RB Robot has filed its plan of reorganisation with a bankrupcy court in Denver. This involves the merger with the Texas company and the conversion of some of the creditors' debts into equity in the new joint company.

At its peak, the Golden company employed 37 people though that number is down to 17. Joe Bosworth, the founder of RB Robot, says his company overestimated the demand for home robots. "Our enthusiasm outran the market place and we made greater projections than were achieved. But we're thankful to survive."

The RBSX, the Golden company's main product, is shaped like a miniature Dalek and moves on wheels. It costs $2,000 to $4,000 depending on whether the machine has a mechanical arm. Some enthusiasts have bought the machine for jobs such as sweeping the floor and fetching drinks.

Power

Solid batteries

HARWELL has launched a project to develop solid electrolyte lithium batteries in conjunction with the battery industry.

The aim is to provide basic technology for manufacturing these rechargeable cells, which have polymeric electrolytes and energy densities exceeding 400 watt-hours per kilogram.

The Harwell Applied Electrochemistry Centre has already demonstrated experimental cells. They use thin-foil anode and current collectors, thick film polymer electrolyte and composite cathode components that can be produced by continuous casting. A complete cell is about 0.01 inch thick and there are prospects for reducing this still further.

Such batteries have a simple laminated construction and are rugged, leak-proof and safe. They can be discharged at high rates, are rechargeable, and have a long shelf life.

Major applications will include consumer products, electronic systems, communications equipment and satellite power sources. Harwell says the programme is still open to new members at an annual fee of £14,000. More from Martin Lewis on 0235 24141.

Office

Combined computer typewriter

A STAND-ALONE "secretarial workstation" from Hermes Precisa combines word processing, electronic typewriting and personal computing.

The idea, says the company, "is to remove the fear factor" in office automation and allow users to graduate from routine typewriting to full office communications. The Model 66 provides a standard range of word processing functions and can produce proportional spacing and right hand justification on the screen. Each key has only one function and operational explanations are displayed.

The unit's computer uses an Intel 8088 microprocessor with up to 256k of internal memory and is provided with a dual 3.5 inch micro-disk of 327k capacity. More on 0206 845251.

JOBS COLUMN

Headhunter challenges competitors on ethics

BY MICHAEL DIXON

AN ATTACK of the holier-than-thou's seems imminent in the fiercely competitive executive recruiting trade.

The instigator is Walter Goldsmith who six months ago left the director-generalship of the Institute of Directors and became United Kingdom chairman of beadhunters Korn Ferry International. He is about to publish his recruitment consultancy's Code of Business Conduct and challenge all competitors to match its terms.

Arguments about the need for codes of good practice in the recruiting business are distinctly familiar to the Jobs Column. In 1977, for instance, it originated what bas become the Institute of Personnel Managemeot's recruitment code, and 17 months ago stimulated 44 selection consultancies to declare *their* commitment to the IPM's principles. As it happens, one of the 44 was Korn Ferry International UK. But perhaps Mr Goldsmith does not know that, because KFI's commitment was given by his predecessor Sir John Trelawny who bas since joined Goddard Kay Rogers whence he has just bunted a new head for Dunlop, Sir Michael Edwardes.

Where was I? Oh yes, good recruitment practice. Well, things have changed since the good old days wben employers dealt directly with applicants and so there was a need only for decent relations between two parties. The increasing use by employers of middle-men selection consultancies bas complicated matters. There is now a need for good relations between employing organisations and consultancies acting for them on the supply side of the market, as well as between the suppliers and the consumers of employment—individuals wanting to get and keep good jobs.

Now, with due respect for employers and consultsncies, this column's first care is for the consumers. So my prime interest is in the responsibilities to individual candidates acknowlodged in one section of Korn Ferry's code (copies of which will be obtainable from Mr Goldsmith at 31 St James's Square, London SW1Y 4JL). The section reads as follows:

"We undertake to:

1—Treat all personal and career information given to us in strict confidence.

2—Adhere to the expressed wishes of the individuals in relation to the presentation of *their career details to clients*.

3—Present information about an individual in a factual and unbiased manner, without prejudice in relation to national origin, religion, race, colour, age, sex or marital status.

4—Notify all individuals, on becoming candidates for specific assignments, of their status in relation to that assignment and notify them should they not he offered an appointment.

5—Take up formal references on individuals only with the individual's permission."

Those sentiments could hardly provoke dissent from the consultancy's competitors or anyone else. The potential for raising blood pressures is rather in the larger section of the code setting out the responsibilities of Korn Ferry and its consultants to employing organisations which become their clients.

Even there too, it is not the sentiments expressed that are liable to irritate competing executive searcb businesses. They would probably all claim that they undertake, as KFI's code puts it, to "Perform a search assignment with integrity and competence in a timely and cost-effective manner," for example, and to "Use discretion and good judgment in incurring expenses for the completion of a search assignment and obtain the clients prior authority for exceptional expenditure."

All consultancies on a par with Korn Ferry probably also give their employer-clients a guarantee comparable with the code's undertaking to "Refrain from recruiting as a candidate, for a two-year period, any employee of an active client unless prior approval has been obtained from the client."

Such no-poaching guarantees to clients are general in the trade. The only trouble is that a no-poaching agreement with any particular consultancy will not protect the staff of an employing organisation against subsequent poaching by any members of the particular consultancy's staff who choose to move to another headhunting concern or to set up on *their* own. And the search trade is marked by a strong tendeocy among its consultants to switch allegiance.

Any headhunting concern which could guarantee to close that loophole would bave a definite advantage in the market. Unfortunately I feel certain that none of Mr Goldsmith's competitors could realistically offer such a guarantee. The main reason for my certainty is that neither does Korn Ferry's code attempt to do so.

What is likely to annoy competing consultancies, therefore, is not that the newly publisbed code offers any significant material advantages unobtainable elsewhere in the market. Tbe irritant is rather that Korn Ferry is stealing a march on its competitors by putting its ethics prominently *on display* while theirs remain under the counter.

Any headhunter who feels outsmarted, however, may draw some comfort from a survey of 139 big employing organisations in Britain, which has just been made by the Webb-Bowen International recruitment consultancy.

One of the questions the employers were asked was whether they would make more use of executive searchers if they collectively subscribed to some professional code of conduct. About 57 per cent of the employers said "No." Their reasons were that they were well able to tell the differences between the good and the bad for themselves, and that sucb a code would be ineffective not least because poor consultancies would *subscribe to it anyway*.

Oxford fellows

HAVING RENAMED itself Templeton College in recognition of a gift of $5m over five years from investment-trust tycoon John Templeton, the former Oxford Centre for Management Studies is seeking balf a dozen bigh-quality intellects to join it as teaching or research fellows.

Teaching fellowsbips are on offer in at least three areas of managerial expertise. These are corporate strategy, finance and accounting, and industrial marketing.

As well as demonstrable academic talent and preferably practical experience in at least one such field, candidates for the teaching posts need developed skill in runing learning programmes including small seminars as well as lecturing sessions. Besides doing their *own research*, they will be expected to teach 180 sessions a year, supervise four graduate students and direct six weeks' worth of executive programmes.

Teaching fellows are appointed for five years initially, with prospects of permanent posts on merit. They also have the status of dons in Oxford University's social studies faculty, and receive £1,424 a year housing allowance on top of an age-*related salary currently running* from £9,681 at 26 to £18,098 at 46.

The same salary scale, hut not the extras, applies to the research fellows who are wanted in areas of expertise including *the strategic development of* financial institutions, portfolio investment, management development, and management in the service sector both public and private.

Research fellows join initially for up to five years. They can then qualify on merit to stay on either by converting themselves into teacbing fellows or by securing the contracts needed to support them in continuing research.

Further information from Templeton College's president, Uwe Kitzinger, Kennington, Oxford OX1 SNY.

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Bank of America

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Interested applicants should telephooe **Charles Reeves, ACII** on **01-404 5751** or write to him at the Banking & Finance Division, Michael Page Partnership, 23 Southampton Place, London WC1A 2BP quoting ref. 3438. Strictest confidentiality is assured.

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Please write in confidence enclosing a full c.v. to **R. H. White, David Sheppard & Partners Limited, 21 Cleveland Place, London SW1Y 6RL (Tel: 01-930 8786),** who act as advisers to the Company.

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Applications, which will be treated in strict confidence, should be forwarded to: **The Company Secretary, Hoare Govett Limited, Heron House, 319–325 High Holborn, London WC1V 7PB.**

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- 5 — 10 years' investment experience, preferably in a bank or investment management organisation,
- carried out industry and company research covering the UK and Europe,
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Please write in confidence, quoting reference 5398/L to Valerie Fairbank, Executive Selection Division, Peat, Marwick, Mitchell & Co., 165 Queen Victoria Street, Blackfriars, London, EC4V 3PD. All replies will be forwarded to our client, who has undertaken to treat them in confidence, and a covering letter should therefore list any companies whom you do not wish to consider.

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ACCOUNTANCY & LEGAL PROFESSIONS SELECTION LIMITED, 35 NEW BROAD STREET, LONDON EC2M 1NH
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Replies, which will be treated in confidence, to
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- International Consultancy

Our client is a major international executive search consultancy with well established offices in the UK, North America and Europe.

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Applications are invited for an appointment to a Chair in the Department of Economics.

In addition to having expertise in one of the specialist fields of economics, applicants should have a broad interest in the whole subject. The successful candidate will be expected to contribute to the teaching activities of the department and to provide leadership in research.

Further particulars and application forms are available from the Secretary, Heriot-Watt University, Chambers Street, Edinburgh EH1 1HX (please quote Reference No 112/84), to whom applications should be sent to arrive not later than 10th December, 1984.

THE ARTS

Glyn Philpot, National Portrait Gallery/Fantin-Latour, Wildenstein

David Piper

Portraits to stop you in your tracks

Glyn Philpot first exhibited at The Royal Academy, still only 19, in 1904. When he died, at 53, in 1937, he had passed through a long period of considerable success, artistic and social, but also, in his last years, a period of retrenchment following his "going modern" after a year abroad, in Paris but including a trip to Berlin.

His more orthodoxly orientated society clientèle seems to have deserted him in that period and after he died, and after the hiatus of 1939-45, he sank seemingly without echo, unrecorded in almost all accounts of British art in the period. But not quite; there were always a handful of admirers, and indeed the unexpected sight of any one of his really successful paintings was likely to shock any observer into wonder as to the identity of an artist capable of such assured brilliance.

The exhibition of his work now at the National Portrait Gallery (till February 10), put together and catalogued obviously as a labour of love by Robin Gibson, is the first extensive one since the war, though preluded by a few relatively modest ones.

Philpot's commercial success depended primarily on his society portraits. As with all British portrait painters of any competence, the slog of meeting the demand resulted in a fairly high proportion of stock solutions; but the best of them, as represented in the sensitive selection by Gibson (and the display by Caroline Brown) should stop you in your tracks after traversing the effigies of Late Victorianism in the long gallery through which you pass to reach the exhibition, even though these effigies include some good Sargents.

The main body of Philpot's portraiture, pre-1930, is in fact rooted in the late Victorian/Edwardian baroque of painters such as Sargent and Shannon, and the mythological pieces look back to those low, very long frieze compositions practised by Leighton and others. The portraits however, for all their panache, are posed often with surprising informality, and with a most sharply individualised facial characterisation.

There is, for example, one of Bishop Gore, posed more or less like Millais' Gladstone that you pass back in the corridor; he looks, from a distance, not unlike a benevolent "sheep in sheep's clothing," but when you get nearer, the features sharpen into vulpine. Philpot's painting of his two sisters, with the awkward clench of its composition, seems to me one of the most outstanding portraits of this century.

There are a number of portraits here that must cause those now concerned with the commissioning of portraits for board rooms, colleges and so on, to heave a sad sigh, for images of such vivid presence and weight, such trenchant character, are hard to come by nowadays. Part of their strength, as the figure drawings here suggest, derives from the artist's insatiable appetite for drawing endlessly from the nude.

Philpot recorded a series of male models, often rather butch young men of great handsomeness, and some spectacular Negroes. His command of the nude vitalises his allegorical subjects, and even more so some everyday ones. Acrobats obviously fascinated him, and a remarkable study of a group of them, motionless behind the scenes in a limbo of exhaustion, is followed up by an even more arresting image of two of them awaiting rehearsal—muscularly impassive, indefinably hostile.

That painting, however, is of 1935, by when he had rethought his style after Paris. His palette took on an almost pastel tonality, the paint applied in crisp, dry, squarish strokes; in portrait, the individuality of the sitter, earlier so often almost spot-lit, is diffused in the overall patterning of the canvas's surface. This obviously responds to the formal developments in early 20th century painting on the Continent, yet to call it "cubist" or "cubistic" suggests wrongly an element of pastiche. Though the painting of his last year or so, seems — he was ill — to be a falling-off, the best work of the 1930s is precisely and definitively resolved, like nothing else in English painting of the time.

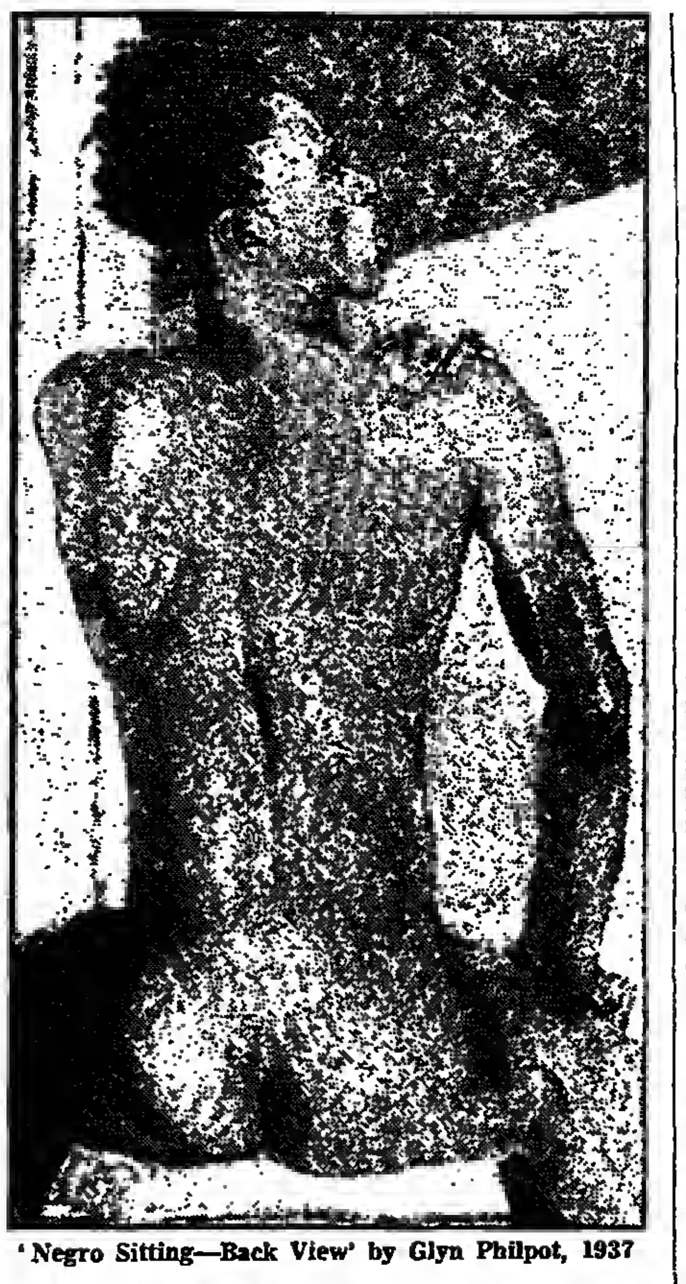
Perhaps finally, the visitor may be left expecting something more — what indeed would he have done, given another 10 or 20 years? Even so, I am sure that anyone going to this exhibition will be startled and delighted, again and again through its length, by the brilliance of paint and draughtsmanship, by images not easily forgotten.

*

At Wildenstein's in New Bond Street (until November 21), another exhibition of a painter who also has, if not sunk from sight in the history of time, fitted in somewhat uneasily: a small but select representation of Fantin-Latour, organised and catalogued by Denys Sutton for the benefit of the National Art-Collections Fund. Though a friend of Manet, Renoir, Degas—all of whom he painted in some famous groups—technically he was untouched by Impressionism. The major exhibition, shown in Paris, Toronto and San Francisco last year, unfortunately was not seen in Britain, so this, though of course very much smaller in scope, is all the more welcome an opportunity for us to reconsider Fantin-Latour's charms.

As so often, with artists, he longed above all to soar into the realms of "high" art—mythological, symbolic, or historical—but was confined by economic necessity to portraits and—in his case—still-life painting, especially flowers. And, unlike most French artists of the period, he found a solid patronage in Britain, at least for his flower paintings. One tends to see, and perhaps not see, his flower pieces in lavish Edwardian country-house settings that open to the public; as often as not, they represent roses in a vase, against a dark background, the whole veiled by yellowish varnish, beneath which any faint memory of fragrance has stifled to death. He painted with a stiffish brush to a thick impasto, and in its crevices, unless very meticulously cleaned, the varnish clogs up.

At Wildenstein's there are enough examples of flower-pieces, admirably cleaned, to reverse any such impression and to delight you, in a drab November, with an affirmation of high summer, fresh and fragrant. Such skill—one that could even record with precision the curdle of the rose's heart on the brink of over-blowing. It is on the flower pieces that the selection focuses, but perhaps—for me personally anyway—the masterpieces, long known and doted on at the Fitzwilliam, are two tiny homages—one, to a white cup and saucer, and the other, to a white candlestick, exquisite in their simplicity.



'Negro Sitting—Back View' by Glyn Philpot, 1937

Huddersfield Festival—2

David Murray

The Huddersfield Contemporary Music Festival, just over, has specially featured the work of Peter Maxwell Davies and Mauricio Kagel, and more broadly the indeterminate genre of "music theatre" to which they have both contributed. As I observed yesterday, they are radically dissimilar composers, and it takes something as elastic as "music theatre" to cover them both; their co-existence at the Festival was provocative in itself. My weekend visit took in only the concert-sober side of Davies (two of his theatre pieces were due later), whereas there were jokey bits of Kagel all over the place—and yet there was room enough to engineer some comparisons.

By "professional" standards for "pure" music, Kagel's music is generally too vapid to discuss. He has a different end: he uses musical devices to animate jokes about culture—sometimes, but not necessarily, jokes about musical culture. The trick is sometimes to present time-honoured and/or popular musical gestures as flat, ludicrous cut-outs, with deadpan naïveté, and sometimes to use such simple devices to set off—distance, alienate—visual jokes about behaviour. In various Kagel pieces one factor or the other may predominate; there is no clear line between them, but it's essential that the audience should recognise instinctively that some established human routine is being sent up.

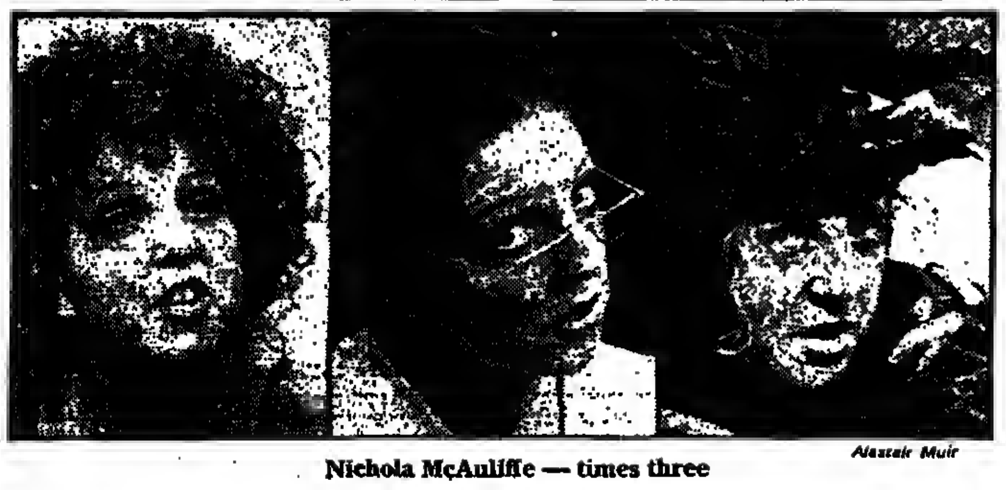
Hence Kagel's professed abhorrence of "professional" composing: to be professional is to master the established canons, and with luck to capitalise upon them. Kagel views them as simple artefacts, oddities of anthropology, and he is at pains not to challenge them on their own ground: his own pieces keep a low profile, so modest as to be guaranteed disarming. It follows that in any extended live performance, the jokes need to be aptly filled out in order to keep things going. A burden of sympathetic responsibility, and invention, falls upon the performers—which is all to the good, in its way.

The very professional Northern Music Theatre shouldered that burden in two Kagel pieces less effectively than in their last Kagel exercise. Their version of *Kontrimusik* (phonetic German for American "country music,") a parody-pastoral for whining orchestra and robustly plaintive voices, relied upon puppet-theatre vistas of the rural life; one admired the workmanship, but it was too slow to make comic sense of the music (nicely laid out though that was, by the conductor Graham Treacher). Their *Kontra-Danse* looked so much like a Pina Bausch spectacle that mean comparisons were inevitable: where a Bausch version would start from real people essaying dances, the NMT "non-dancer" were arty poseurs from the outset, and the joke was reduced to an amusing little sneer.

The French percussion trio "Le Cercle" made much more of Kagel's *Dressur*, a performance-piece in his best vein, which sets interpersonal power-relations to tunes and pulses on exclusively wooden instruments: mysteriously poetic, as the French would say, and they would be right. By contrast the *Tribadaboum* of Vinko Globokar—to whom we owe one or two genuinely witty pieces—looked (and sounded) like a mere random sequence of turns. Sincere performances of new local pieces by the Gemini ensemble were dimmer still: Freud studies by David Lancaster and by Nigel Osborne which matched unspecific music to irresolute texts, a Karl Kraus setting by James Harley where neat film-music underlined routine anti-war sentiments, danced haiku settings by John Michael Clarke that evoked a Feiffer "This is a Dance to Spring" in spite of delicately pretty music.

So what should "music theatre" be? Not mini-opera, nor ballet; and certainly not a text loosely attached to a score. If we take Davies' one unequivocal success among his theatre-pieces as a model, the *Vesalii Icones* for dancer and cello — living anatomy, the Stations of the Cross — it might think: it's a visual and musical spectacle based on extra-musical premises, things that the audience has to know before it starts.

But then Davies' concert-sober pieces qualify at once: the effect of *St Thomas Wake* depends upon our affectionate familiarity with the foxtrot idiom that it sends to perdition, and the tremendous Huddersfield success of *Worldes Blis* was made with an audience who knew that they were honouring a difficult but important composer, that the piece would require preternaturally patient attention, and that the half-audible ringing of bells near the end would signify the recovery of a theme which had (inaudibly even on third and fourth hearing!) generated all the rest. I should call that music-theatre: no disrespect intended.



Alastair Muir

Nichola McAuliffe — times three

Annie Wobbler/Fortune

Martin Hoyle

Nichola McAuliffe has a useful face: oval, rather long, Grecian in profile with sloping eyes that lend themselves equally to sadness or humour. She can look Jewish or gentile; a schoolmarm, a slag or Queen Victoria (whom she once played).

Arnold Wesker's tryptich, finally in the West End, presents her as a dotty old cleaner in the pre-war East End; a recent graduate bursting with exuberant self-appraisal as she prepares for a date; and a successful novelist.

The cleverness of Pamela Howard's designs that, one after the other, part to reveal a more spacious set beyond, equals Ms McAuliffe's. Her tramp-like cockney char in a Jewish household, based on one of the playwright's own memories, looks old, sounds young and impresses most when age, voluminous skirts, wild grey hair and flowered hat rammed on head-scarf disappear to reveal Anna in red ringlets and black underwear breathlessly burbling to herself in broad northern.

This, the slightest of the three pieces, is the least convincing.

The novelist is interviewed by a disembodied female voice, initially in the nasal drawl beloved of media ladies. The interview is repeated in simpering tones; and finally by Annabella herself. A different personality emerges to each identical set of questions.

Annabella refers to herself as "a mid-culture writer," one who gives the satisfying illusion of the intellectual. Mr Wesker has become a mid-culture playwright with an affection for clichés and platitudes ("Why do the English dislike cleverness? . . . Why do men dislike women to be clever?") that dismays. Annie, Anna, Annabella—Ms McAuliffe single-handed presents us with three characters. Possibly through the revue-type of shallowness of the material, however, there seems to be no real human being among them.

Saleroom/Antony Thorncroft

The smaller salerooms are making the running this week. Yesterday Henry Spencer and Sons of Retford established an auction record for a painting by Sir George Clausen, £62,000, paid for "Apple Blossom," while on Tuesday Phillips recorded good prices when selling British post-Impressionist pictures.

The top lots were paintings given by the artists of the Newlyn School to the Queens Hotel in Penzance as payment for board and lodging in the final decades of the last century. "The pedler" by Harold Harvey, set an artist record of £42,000 as did the £24,000 paid for "His first catch," by Edwin Harris.

At Christies' picture sale in New York a record price of £300,781 was paid for "Interiore metafisico" by de Chirico.

The Way of the World/Haymarket

B. A. Young

Congreve kept his aces a long time up his sleeve in this play. I've seen it three times this year, and several times before, yet I never know what the plotting is leading to until the last act, when it is resolved with a document from a black box. Yet there is never a dull moment in the evening, for the display of wonderfully variegated characters, with their elegant—even when insignificant—talk, is an entertainment in itself.

Never more so than in this superb production under William Gaskill, played with slightly different casting at Chichester this summer. From Mirabell and Millamant to the servants Foible and Mincing, there is no performance that is not complete and individual. Frank Barrie, who has obviously been wanting to play these parts all his life, is a polished Fainall whose intrinsic wickedness is kept below the surface until he has really wicked things to say. John Moffatt, as Witwoud, is a great master of elegant conversation, and though he may look comic under his fluffy wig, he makes his talk sound as if it were based in education. Michael Jayston's Mirabell, whose rather boring wig labels him free from the affectations of his fellows, allows the standard of decency to fly, albeit limply over his machinations, so that we may be ultimately pleased to see Millamant accept him.

Congreve keeps us waiting a fair time for Millamant, but when she arrives, fan spread in St James's, there is the classic Maggie Smith, too seldom seen in the West End these days. Her arms dart about each side of her, a quite modest fan held at the end of one of them. She never makes pseudo-Restoration gestures with her fan; indeed, one of the funniest things she does with it is to break it. She prefers to address people over her shoulder, but at the conclusion of her long farewell to her liberties, when she confesses that she might, by degrees, dwindle into Mirabell's wife, she puts an unexpected warmth into her voice that is infinitely touching.

Of the other women, blonde Sheila Allen as Mrs Fainall and dark Margaret Whiting as Mrs Marwood carry the banners of good and evil effectively. Above them all, at the centre of this complicated story, is Lady Wishfort, to whom Joan Plowright has given a novel aspect, a genuinely attractive woman to whom only age has brought the wear that makes her face like an old, peel'd wall. This renders her continual romantic activity more probable than it usually appears. Foible and Mincing (Rita Gerza and Amanda Holmes) are real characters in whom one may take a proper interest, not mere servants.

Hayden Griffin's Chichester set, a series of variations on a handsome panelled chamber containing an arch bearing carvings à la Grinling Gibbons and a back wall that folds away to reveal St. James's Park, is effectively concentrated on to the Haymarket stage, and to my mind makes the stage pictures all the more attractive, with a range of beautifully imaginative costumes by Deirdre Clancy. The whole production, indeed, is as visually pretty as it is artistically splendid. It is to run only for a short time—a word to the wise.

Robert Silverman/Elizabeth Hall

David Murray

Mr Silverman, a well-established Canadian pianist, is scarcely known here; that turns out to be a serious omission, but it was only in the second half of his recital on Tuesday that we discovered what he can really do.

He had begun with the Brahms op. 118 set of pieces, to which he brought a warm sensibility and not a little reverence, so generously spread that individual character risked slipping away. The faster pieces were decidedly *non troppo*, the slower ones lovely but almost becalmed; each paragraph had a long dying fall. The sinews of the music were under-stressed, though Silverman's refined gift for balancing chords lent some radiance to every piece. Bartok's stern Sonata got an intelligent reading, but not incisive enough—the impetus flagged under so much deliberate punctuation, and each movement had several tentative climaxes instead of a clean curve.

Rakhmaninov's first Sonata—rarely heard, for it is as diffuse and protracted as it is difficult—made an extraordinary impression. With unassertive technical command, Silverman made it an idyll of exquisite sound and exact, unforced feeling. Nothing seemed too long, everything had a natural point: that was the feat of a mature artist, and something of a revelation.

Made in Britain/Riverside

Clement Crisp

The Dance Umbrella season has been proposing evenings of local post-modern activity under the title "Made in Britain" which, if Tuesday's programme is anything to go by, is as wise as advertising motorway food.

The show began with two drably interminable offerings. Rosemary Butcher's *Night Mooring Stones* had three dancers flopping and trudging around the dance area while repeating loops of film of the Scottish countryside were accompanied by electronic droning, and the performers eventually achieved their nirvana by waving flags at us. Minimalism could, I thought, sink no lower, until the second item, by the Sydney Dance Exchange. This brought us Russell Dumas' *Circular Quay* which looked like a requiem for an adagio team, and beyond inspiring a fit of giggles in some members of the audience, was remarkable only for its exhausting length.

The arrival of Laurie Booth in his solo *Beyond Zero* was the admirable proof that post-post-modernism can be vital, theatrical, and wholly engrossing. Mr Booth is an alert performer, his style nervously intense, vivid in dynamics, brilliant in muscular control. The accompaniment is a mélange of spoken texts — in which Mr Booth contributes a couple of very funny and anarchic comments — which inspire dance that ranges from Max Wall eccentricities to passages in which the plight of a man faced with the idiocies of life is given tough and uncompromising realisation. It is a virtuoso display, made all the more powerful by Mr Booth's taut acrobatics and his strong theatrical presence. Very fine.

The evening also brought a duet by Richard Alston to a short orchestral piece by Oliver Knussen, *Coursing*, which the programme note seemed to think moved "at great and almost incessant speed."

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

Exhibitions

Nov 9–15

WEST GERMANY

Cologne, Museum Ludwig, An der Rechtschule: Gruber Collection – 20th Century Photographs has 250 works from between 1910 and 1975 by 90 European, Japanese and U.S. photographers. Ends Nov 25.

Düsseldorf, Messegelände – Halle 13, Stockumer Kirchstrasse: 300 paintings, drawings and sculptures from the last six years aim at an overview of today' cultural scene in West Germany. The exhibition includes films and performances. Ends Dec 2.

Munich, Villa Stuck, Prinzregentenstrasse 60: More than 350 book and magazine illustrations from between 1893 and 1898 by Aubrey Beardsley. Ends Nov 25.

LONDON

The Hayward Gallery: The Drawings and Sculpture of Matisse. The Arts Council has brought together two major exhibitions, each of which deals with a major aspect of Matisse's work. But though both are to got on elsewhere, they are not to do so as one; which makes their London showing an opportunity not to be missed. The entire sculptural oeuvre is shown, 69 bronzes in all (it goes on to Leeds in the New Year), for the first time in this country; and the selection of drawings represents the largest retrospective study ever to be seen in London or New York (it goes to the Museum of Modern Art in the spring) of this fundamental preoccupation. It is a delightful, at times surprising and always an enlightening conjunction, most useful for the insight into the relation between his sculpture and drawing in the earliest years of the century, the crucial period of his first maturity. The clear hint is that if the painting of Matisse was qualified and informed by the drawing, so, in that very first period at least, it was the sculpture that gave the drawing its radical freedom and simplicity. Ends Jan 6.

PARIS

The Influence of French and Italian schools and fidelity to their national inspiration, the fascination with reality and romantic idealism, produced two contradictory tendencies in German painting in the second half of the 19th century. On the one hand, Arnold Böcklin, the symbolist, continues to mediate and dream of poetry and mytology. On the other hand the violence of colours of the New Realists announces 20th-Century Expressionism. Petit Palais, closed Mon, Ends Jan 13 (265.12.73).

ITALY

Florence: Palazzo Strozzi: Fortuny and the Belle Epoque. Twenty rooms hardly contain the exuberant artistic activity of Mariano Fortuny in the first few years of this century. Notable among the engraving. Drawings and theatrical design is the fabric he invented – Delphos Plisset – adored by Eleanora Duse. Ends Dec 2

WASHINGTON

National Gallery: Old Master Drawing from the Albertina, celebrating two centuries of Austro-American ribbons, includes Dürer's Praying Hands among the 75 works by Fragonard, Rembrandt, Pieter Bruegel the Elder, Lucas Cranach the Younger, and others. Ends Jan 13.

NEW YORK

Van Gogh in Arles (Metropolitan): The first important exhibit to catalogue the annus mirabilis in 1888-89 when Van Gogh was inspired by the South of France is covered in 148 works, including paintings, drawings and letters. Special ticketing with specified entry times reflects anticipated ticketing with specified entry times reflects anticipated crowds of up to half a million. Ends Dec 30 (570 3970)

NETHERLANDS

Amsterdam, Willet-Holthuysen Museum (Herengracht 605). Amsterdam silver 1520-1820 is an exhibition of 250 items and groups displaying the mastery of Amsterdam silversmiths over three centuries. The show, which focuses on church, guild and table silver, includes a magnificent monstrance of 1517, ornamented drinking horns and finely wrought chains of office used by the civic militia companies, and four salt cellars from 1639-1643 by the celebrated silversmith Johannes Lutma. Ends Jan 13, closed Mon).

TOKYO

Contemporary Japanese Art, an important exhibition showing the work of the last two decades. Tokyo Metropolitan Art Museum, Ueno Park. Ends Dec 16.

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Thursday November 15 1984

Next steps on competition

THE THATCHER Government has rightly emphasised the virtues of competition. Although rhetoric has often run ahead of action, progress has been made on a number of fronts. The recent drive to expose the professions to the winds of competition is laudable. The privatisation programme, though creating some new problems, has been undertaken with the intention at least of securing more competition. And this summer the Government went some way to clarify its policy on mergers, laying greater stress on the duty to promote competition and downgrading more general "public interest" considerations.

Yet there are worrying signs that the Government, and the Department of Trade and Industry in particular, may be content to rest on their laurels. This would be a mistake. As a conference organised by the Institute for Fiscal Studies made abundantly clear last week, a partial clarification of merger policy is far from sufficient. The legal and institutional framework in which British anti-trust policy is conducted is ripe for review. The institutions, and their terms of reference, date from the 1940s and 1950s; the legal approach is older still.

The message from the IFS conference, and from recent research by Mr John Kay and Mr Thomas Sharpe, is that the focus of British anti-trust policy is now inappropriate and that the legal remedies for the abuse of market power are inadequate. In most countries, laws to combat cartels, collusive behaviour and predatory pricing form central elements of anti-trust law; in Britain this has never been the case. The focus has instead been on mergers and monopolies and other issues of market structure. Yet modern theory suggests it is better to attack anti-competitive conduct as such.

Predators

Predatory pricing is an abuse of market power which existing anti-trust policies do little to deter. The privatisation programme has heightened fears and there is concern that small regulatory agencies will be unable to control public sector monopolies such as British Telecom and British Airways once they are privatised. A company suffering from predatory pricing typically has only one option: to complain to the Office of Fair Trading. After a preliminary investigation, a reference to the Monopolies and Mergers Commission may follow. Eventually, the predator may be told to desist. The process is slow, and does little to deter would-be predators or compensate the aggrieved.

As disturbing is the absence of fully effective laws against cartels and collusive pricing agreements. In many instances, blatant restrictive agreements fail to come to the attention of the OFT. Sometimes the excessive formalism of British law prevents action against a restrictive agreement. Whether a legal challenge can be mounted depends not on the effect of the agreement but on its form. A restrictive agreement can be redrafted so that it has identical economic effects yet is immune to an OFT investigation. As anti-trust policy this surely makes no sense.

Private actions

UK competition law cannot be reformed overnight. It is more important that the Government recognises that substantial improvements are possible. Mr Kay and Mr Sharpe have a simple and seemingly persuasive suggestion: since it is private companies and individuals which are hurt by anti-competitive behaviour, why not let them play a role in enforcing anti-trust law? U.S. research suggests that the threat of a private action for *damages* is the most potent deterrent to those contemplating collusive agreements or predator behaviour. Why should only officials and ministers be allowed to tackle abuses of market power?

The Government ought to be sympathetic to what is in effect a plea for privatising the enforcement of competition laws. Besides creating new incentives for firms to expose collusive behaviour, the option of private actions would be the quickest way of transforming attitudes in British industry, where the commitment to competition has often fallen short of U.S. standards. As Mr Sharpe points out, it is not as though the existing system is not legalistic, it is just legalistic and ineffectual. At the same time, the Government might review the problems raised by the formalism of UK competition laws. In the analogous area of tax avoidance law, it has supported moves to assert the primacy of substance over form. Something similar may be necessary in anti-trust.

A threat to UK aid policies

SIR GEOFFREY HOWE, the Foreign and Commonwealth Secretary, faces a particularly unenviable task in deciding how the cuts in his department's spending in 1985-86 are to be shared out between its various programmes and activities. The issue has already generated an unusual amount of heat, as the sharp exchanges between Mrs Margaret Thatcher, the Prime Minister, and Mr Neil Kinnock, the leader of the Opposition, in the House of Commons on Tuesday, demonstrated only too clearly.

The reason for the outcry, reflected in the large number of letters on the subject received by MPs from their constituents, is that the foreign aid programme could be cut as the result of the tight budget imposed on the FCO. That, at a time of greatly increased need for aid by famine-stricken countries like Ethiopia, is considered to be unacceptable not only by the Government's critics but by many of its supporters as well.

From what Mrs Thatcher and Sir Geoffrey have said in the Commons it seems that the Government has no intention of cutting humanitarian aid, but other forms of aid totalling some £1bn are clearly still threatened.

Misleading

In his autumn economic statement, Mr Nigel Lawson, Chancellor of the Exchequer, sidestepped the issue of where the cuts would be administered and dumped the baby in Sir Geoffrey's lap. The Foreign Secretary has been allocated a budget of £1.57bn for 1985-86 and it is entirely up to him to decide how much will be allocated to his department's various programmes, including foreign aid.

If that budget had been allowed to rise in line with costs, the Foreign Secretary would not be facing such a difficult choice today. The claim that the budget's increase by 3.8 per cent on a year-on-year basis compensated (*if only partially*) for inflation is misleading.

A substantial proportion of the diplomatic service's costs are incurred abroad. These have risen by much more than prices in the UK because of the sharp decline in the pound's exchange rate over the last year and the relatively higher rates of inflation in many of the countries where Britain maintains diplomatic missions. According to an authoritative estimate, the FCO's spending power has been reduced by more than £30m in next year's budget.

Where then should the cuts come? Even leaving aside the foreign aid programme—which has suffered from substantial cuts over the past few years—there is no aspect of the FCO's activities which has not been subjected already to a tightening of the purse-strings.

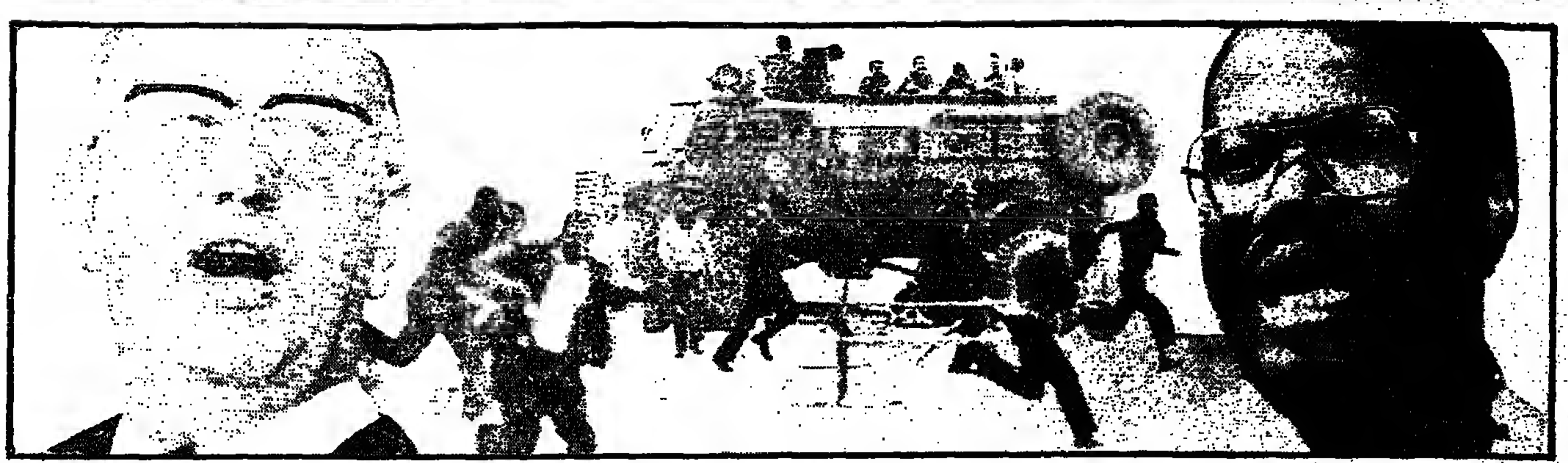
Expenditure by the diplomatic service has been reduced more than 9 per cent at constant prices between 1978/79 and 1983/84. During the past two decades, diplomatic staff have been reduced by as much as 20 per cent, in spite of a 32 per cent increase in the number of countries with which Britain maintains diplomatic relations.

Among the other programmes funded by the Foreign Office, the BBC's external services, undoubtedly one of Britain's best exports though their value cannot be quantified in pounds and pence, were previously cut back by the Government. To subject them to further financial constraints would be running the risk of a decline in quality which no-one wants to see.

Because famine aid has become such an emotional issue at the moment, there is a danger that the Foreign Secretary may contemplate an internal trade-off which would adversely affect not only the long-term aid programme but the Foreign Office's other activities.

Given the constraints of his budget, some cuts, of course, have to be made. The easiest would be to reduce the number and size of diplomatic missions in areas of the world where they are currently playing only a limited role and cutting the staff of some of the biggest British embassies abroad.

But these would bring only limited savings. As for aid, it would be a great mistake for the Government, responding to public concern about Ethiopia, to distort the balance of the programme. It is only properly planned long-term aid programmes which will allow the poorer countries to devise policies enabling them to preempt famines of the kind now affecting Africa.



President Botha (left) and Chief Buthelezi, and a scene from one of the many riots this year

VIOLENCE IN SOUTH AFRICA

Why the pressures are different this time

By Anthony Robinson in Johannesburg

"THE SOUTH AFRICAN issue of the 1980s is not revolution, despite the impression given in news bulletins to the rest of the world. It is whether South Africans will sit down and talk to each other or blindly follow the usual route through *decades* of destruction and bloody feuding before they sit among the ruins to talk."

This impassioned plea by the editor of a Johannesburg newspaper comes after a week in which black trade unions have been in militant mood, and there have been riots and further police and army intervention in the black townships. And all this against the background of a two-day strike by black workers designed, say its organisers, to show that they have the power to make the country ungovernable.

Barely a day this year has been free from some demonstration of dissent by the black majority. Many thousands of students have been boycotting their classes, unrest has flared in the townships and more than 165 people have died since the beginning of September alone.

The feeling that revolution is not on the agenda is underlined by the low key reaction, even indifference, of much of white South Africa to the events of the past six months.

Nearly 40 years of apartheid, and years of heavy spending on the armed forces and the police, have created black townships which most whites never see and are forbidden to enter, and whose few access roads are closely controlled by army camps and police stations. Any attempt to seize power, or even to take the protest movement into white areas, would be met by an overwhelming display of armed force.

This is the fundamental reason why the violence has been limited to the black townships, why the victims of black frustration have been mainly blacks and why whites have remained only marginally affected by the violence.

The riots have only marginally affected the white population

But *this false sense of security*—which contrasts strongly with the panic which gripped the white community after the Sharpeville riots of 1960 and the Soweto uprising in 1976—is not shared by the Government. It has reacted to the strike—or stayaway as it's known locally—not by proposing a dialogue to discuss the grievances, but by arresting the leaders of the two main black trade union federations and other leading organisers.

The Afrikaner-dominated Nationalist government clearly believes that the past six months of school boycotts, rioting and ultimately well-organised work stayaways indicate a radical change in the attitudes of 10m or so urban blacks. What began as a protest by black school children against an inferior education system which spends eight times more per head on White education and an economic protest against higher rents has been radicalised and politicised. The combined effects of army and police repression and the insistence of the Government in treating the unrest as the work of "revolutionary elements" and common criminals, has been a major contributing factor.

The Government's heavy handed reaction can be explained partly by its ideological commitment to the maintenance of white economic and political hegemony and partly by the fact that a combination of drought, Government overspending, the low gold price, declining rand and high inflation have left few resources to spend on raising black educational standards, subsidising rents or improving facilities. The recession has underlined the high economic, social and political costs of apartheid, while drought and poverty in the so-called independent homelands has swelled the illegal population of the townships, increased unemployment and contributed heavily to the tensions of recent months.

Ironically the internal situation has deteriorated sharply at a time when civil war and economic collapse, exacerbated by the effects of the severe drought, have forced South Africa's formerly hostile black neighbours to seek a modus *vivendi*. The most *tangible* evidence is the Nkomati agreement signed on March 16 between South Africa and Mozambique. And negotiations are under way which could lead to a partial withdrawal of Cuban troops *from* Angola and Namibian independence.

As a result the African National Congress (ANC), which is pledged to violent overthrow of white rule, has lost its operating bases in Mozambique. South African *fears of a* "total onslaught" by Communist-backed forces from the north have subsided. Externally South Africa is more secure than it has felt *for years* and its role as a regional economic and military power has been acknowledged by its neighbours.

The ANC's decline in power abroad is forcing blacks to rethink their political future

But the ANC's waning power abroad appears to be one factor which has forced blacks within South Africa to rethink their political future. The realisation that they must seek their own political solutions and not wait for deliverance from outside has been compounded by the government's new constitution which, in the words of one prominent white businessman, is a "gratuitous insult" to the unenfranchised black majority. Opposition to the constitution, which has given vast powers to the executive State President, Mr Pieter Botha, and separate white, Asian and Coloured chambers but nothing for blacks — led to the creation with astonishing speed of a major new factor in the South African political spectrum — the *United Democratic* Front (UDF).

The UDF is a loose coalition of 645 disparate organisations, originally formed to fight the new constitution but remaining as a potent rallying point for opposition to the Government and its policies of white political and economic hegemony. It has been condemned by Mr Louis le Grange, the tough Afrikaner Minister of Law and Order, as little more than a cover for the banned ANC *and Communist*-inspired revolutionary elements. Many of its leading members have been arrested under internal security laws and the *Government has strongly* hinted it is considering a total ban on the organisation.

The UDF actively supported the two-day work stayaway to which the leading black trade union federations adhered. The result was a highly successful flexing of political muscle. Since their legalisation four years ago, the unions have carefully restricted their activities to mainly bread and butter industrial issues.

It is one of the consequences of the Government's refusal to grant legitimate political channels to the black majority outside the *so-called* independent black states like Ciskei, Transkei and Bophuthatswana or the black local community councils set up in 1982.

Leaders of the economically dependent black states are viewed as little more than Pretoria's stooges while popular anger against black councillors *has* made them a principal target of violence in the townships, where they are seen as "sell-outs" devoted to lining their own pockets and enforcing highly unpopular rent increases as their only source of revenue *for township services.*

Significantly, the Zulu Chief Gatsha Buthelezi, one of the most influential black leaders, is a fierce critic of the UDF which he blames for setting black against black rather than channelling their energies into the task of forcing the government to negotiate black participation in the democratic process. He also opposed the work stayaway. He has shown his *independence* by defying Pretoria's efforts to turn the Kwazulu homeland into an independent state and has built up his Inkatha Paryt, which has nearly 1m members. Chief Buthelezi is an outspoken critic of the apartheid *laws*, but also strongly favours foreign investment.

His following, however, is strongly concentrated in the largely rural homeland north of Durban and is more limited in the politically conscious townships elsewhere. Also tribal factors limit his appeal to non-Zulus.

But it is not only the black community which is stepping up pressure on the Government to turn away from apartheid rule. White business leaders and academics — both English-speaking and Afrikaners — are also pleading with the Government to rise above its intense pre-occupation with the perceived electoral threat from the extreme right party led by Dr Andries Treurnicht and come to *terms* with the *idea* of a permanent place in white South Africa for an unbanished and nomically vital black population.

Respected Afrikaner figures like Dr Jan Steyn, head of the Urban Foundation, key liberal white businessemn like Mr Gavin Relly of Anglo-American, Mr Tony Bloom of the Premier Group, Mr Basil Hersov of Anglovaal, and many others, have all attacked *the economic*, social and political costs of maintaining the apartheid system. T hey argue for an end to influx control and new economic policies based on encouraging black enterprise and *massive investment* in black urban development and education.

They see high government spending and a *grossly* inflated bureaucracy as the principal engine of high taxes and inflation and the administration of apartheid as the main contributory factor. Business also faces the high cost of training poorly educated blacks and negotiating with trade unions which are being forced into articulating a wide range of political and social grievances, as well as pressing for higher wages and promotion opportunities.

But if business is at the sharp end of the conflict, it is also uncomfortably aware that entrenched white prejudices will limit radical changes. The liberal views of many captains of industry and finance are not widely shared at the lower and intermediate levels of management or among white skilled workers and artisans—those who have to negotiate with articulate and politically aware black *trade unionists* or who see themselves in increasing competition for skilled and white-collar jobs.

Business is at the sharp end of the political conflict

It also remains to be seen whether the demands of enlightened business extend to *support* for the long-term demands of black South Africans: that is for one man, one vote in a unitary South African state, meaning black majority rule.

A special cabinet committee headed by President Botha and Mr Chris Heunis, Minister for Constitutional Development, is drawing up plans for some form of increased black political representation which stops short of a fourth chamber in the new *parliament*. But in the present mood of the black community whatever it comes up with is likely to be dismissed as being "too little too late."

Men and Matters

Supermac's address rehearsal

"Sly, witty . . . perfectly timed and absolutely riveting"—Financial Times. "Probably the most sophisticated, urbane and polished maiden (speech) ever offered their Lordships"—Daily Telegraph.

The rave reviews yesterday of the Earl of Stockton's 32-minute theatrical performance in the Lords were a just reward for the sheer hard work that the 90-year-old former Prime Minister put into preparing it.

The speech may have seemed to come off-the-cuff—but with characteristic professionalism, Supermac had spent weeks preparing for the event.

A succession of Tory MPs—*former ministers among* them—were invited by his son-in-law Julian Amery, MP for Brighton Pavilion, to visit the Macmillan home, Birch Grove, in Sussex.

Stockton fed and watered them—then quizzed them thoroughly about the party's policies and mood, sorted out facts and figures, sought their opinions on just about everything at issue.

Typical of the visitors was Peter Hordern, MP for Horsham and a candidate in tonight's elections for the chairman of the 1922 Committee. Stockton learned that he was writing some articles about the North-South divide and unemployment, and Hordern was invited along *to discuss them.*

With the most up-to-date information digested, and the phrases finally polished, Stockton had one more remarkable feat to perform. His eyesight is not now good enough to allow *him to read from notes—so* he memorised his lines, all 5,000 words of them.

"That reminds me, I must lay down some claret to celebrate the end of the miners' strike"

Michel guide

Michel Camdessus, the new governor of the Bank of France, has earned a reputation during a decade on the international monetary circuit for astutely combining economic sobriety with elegance and wit.

Aged 51, Camdessus spent 16 years in the French Treasury and headed the department for two-and-a-half years before moving to the Bank of France as first deputy governor in August.

At the central bank, he has been esconced in a gilded office which served, literally, as a waiting room next to the larger quarters of Renaud de La Geniere, governor since 1979.

Camdessus, expert in unravelling both international monetary problems and the domestic complexities of the government's relations with industry and the banks, admits that before he arrived there he knew very little about the Bank'a money-printing operations.

But many observers saw his move *as a sure sign* that he was being groomed to step into the shoes of the austere de La Geniere, who was appointed when Raymond Barre was Prime Minister and, since May 1981, has had numerous ups and downs with the Socialist Government.

None the less, de La Geniere's brusque departure yesterday—he had left the Bank by the afternoon and was "no longer with us" according to a secretary—came as a surprise.

"A very capable and serious fellow" in the words of a fellow central banker, de La Geniere, aged 59, had played a major behind-the-scenes role in steering the Left-wing administration towards economic orthodoxy.

He had a good working relationship with the Socialists' first finance minister, Jacques Delors, but may not have hit it off so well with Pierre Beregovoy who took over in July.

Advanced driving

And here is a story of compromise Italian style.

The Financial Times reported that Austin Rover, BL's subsidiary, was upset by the appearance at the Turin motor show of a Maestro car in which a small Italian company called FNM has installed its own diesel engine.

Austin Rover has *ambitions* to launch the diesel it has developed with Perkins sometime next year, and has called the conversion at Turin "unauthorised."

Indeed AR has insisted the FNM vehicle be removed from the show.

But when the public was admitted at Turin *yesterday*, the Maestro with the diesel engine was still there. The tell-tale hub caps had been removed and the body covered by a plastic sheet. But to rub salt in the wound FNM has cut a hole in the plastic covering so that visitors can see the engine—even if they cannot see the British-made Maestro bodywork.

While on the topic of motor industry dirty tricks, I should mention that there has been a frenzied search by Sinclair Vehicles for a possible mole who supplied the Mail on Sunday with scoop photographs of Sir Clive Sinclair's top-secret, three-wheel, electric car.

Call off the hunt chaps. The man credited with the photographs is Aidan Sullivan, a Mail staff photographer, who simply joined the morning shift as workers went through the *barbed wire surrounding* the former Hoover factory at Merthyr Tydfil, South Wales, where the mini-cars are being assembled.

Sullivan followed them to the assembly hall where a number of completed cars were conveniently parked in a corner. He took his pictures, nodded to some puzzled onlookers, and left by the way he came.

Finn facts

The Finns were out in force at the Confederation of British Industry yesterday, *imploring* UK businessmen to close the trade gap.

Finnish exports to Britain last year were worth £996m. Finland's imports of UK goods were valued at a mere £540m—and *the Finns would dearly like to* take more.

Trouble is many British businessmen do not seem to know basic facts like where Finland is. One CBI official confided that there is a widespread belief that it is behind the Iron Curtain.

The Finns display a stoic courtesy but are clearly well aware of the problem. One of their handouts, headed Finnfacts, says: "Comparatively few British businessmen seem to take the trouble and expense to travel to Finland and visit potential customers. It would seem that Finland is not an interesting enough market for British industry."

Anglo-Finnish relations were ever thus, it seems. The Finns beheaded the English-born Bishop Henry when he tried to convert them to Christianity (though they later made him their patron saint). And Sibelius, on his first visit to England in 1905, was fined 2s 6d at Dover for smuggling cigars.

Observer

ECONOMIC VIEWPOINT

The unradical British Right

By Samuel Brittan

THATCHERITE economic policies are not very different from, or better or worse than, those to which other Western European governments, whether called Conservative as in Germany or Socialist as in France, have found their way. Everywhere, governments are following "sound money," trying to reduce budget deficits and trying very gradually to close loss-making coal mines, steel mills and other activities. Everywhere, too, some relief is sought from the strain of these adjustments by protectionist barriers against Third World and Japanese products, whether textiles, cars or electronics, or by levying the consumer to protect the farmer and landowner. Nowhere has a way been found of reversing the rising unemployment trend.

There would be no particular cause for comment were it not for the Thatcherite rhetoric which attracts some New Right enthusiasts from thousands of miles to hear and which drives other people to paroxysms of hatred. It is the contrast between the rhetoric and the very conventional reality which is doing the national temper so much harm.

If there is any moral from the hassles over Government spending this autumn, as in every previous autumn, it is how unradical Mrs Thatcher's Government and the Conservative Party at large, in common with most of articulate British public opinion, really are. The Cabinet would like to rein back public expenditure without making difficult choices—the latter aspect fervently upheld by most backbenchers and populist Tory newspapers.

It is this near impossible task which creates the Cabinet rows and the creative accounting to take advantage of every definitional quirk—such as the treatment of assets sales or Health Services charges as negative spending—to make public expenditure seem as low as possible.

The Thatcherite attitude to public expenditure has been to be emotionally against it, but not at the expense of upsetting any sacred cows. Like the Reaganite Administration in the U.S., if on a lesser scale, the approach to the military industrial complex was to throw money at it. Even in 1985-86, "defence" is expected to rise by 1½ per cent more than general inflation rate. There have also been commitments to increase net spending on the police and prisons.

But it was not only to the military and police that pledges were given. "The National Health Service is safe in our hands" is a pledge which has ruled out major experimentation; and education continues to be overwhelmingly publicly financed. Any suggestion of the privatisation of pensions or the concentration of benefits on those in need is immediately thrown off with a shudder at the behest of the Prime Minister's electoral advisers.

Now I am far from suggesting the wholesale privatisation of the Welfare State. Having grown up in a medical family, I know the NHS cannot just be replaced by insurance, compulsory or otherwise. But the electoral knee-jerk means that serious reconsideration of the Welfare State 40 years after Beveridge—which could well give different answers for different parts—is ruled out of court.

To a social market radical, reducing the public spending ratio is not an end in itself. His object should be rather to reduce the influence of interest groups, which have acquired a stranglehold over the political process — whether these are the unions, the professions, the farm lobby, the pensions industry, the home owners' lobby, the heavy exporters' lobby (usually known as overseas aid), council employees, and all the rest. The fact that most of us belong to one or more of these lobbies does not reduce their perverse effect.

But the commitment to defend, keep and protect goes into areas which make no economic sense, from any point of view. Quite apart from the CAP, British farmers—or more accurately landowners—receive masses of direct assistance and emerged almost unscathed from the public expenditure review. One of their biggest privileges, which does not even show up as public spending, is agricultural derating, and that, too, is protected by a "pledge."

Consider next the famous "victory" over council house spending reportedly achieved by Ian Gow. This was brazenly inconsistent with his known belief, not many moons ago, in a lower PSBR. More fundamentally, is not the whole idea of council houses—with the possible exception of a few inner city areas — an anachronism? Why should not accommodation be provided in the market like any other service? It has few genuine "public good" aspects.

But would it have been politically feasible, or even just, to have slashed council houses, while leaving subsidies to owner-occupiers unaffected? A study by John Ermisch, published in the October issue of *Policy Studies*, suggests that after the real increases of the past few years the *average* council dweller has little real subsidy left. Yet even-handed action to phase out privileges on both sides of the market is thought to be ruled out by another Prime Ministerial pledge on mortgage interest relief.

It isn't actually, for as Mr Ermisch shows, the real privilege of the owner-occupier is not interest relief, but the absence of tax on "net imputed rent," formerly known as Schedule A. A combined package eliminating general financial aid for both owner-occupiers and council house dwellers, abolishing rent control on private tenancies, plus income support for those who genuinely cannot afford minimum housing, would be as beneficial as it would be, on first announcement, unpopular. It would also, by improving geographical mobility, do far more for employment than any number of packages designed to help construction.

The root of the current unradicalism is the divorce between Conservative economic thinking and its Saatchi and Saatchi public relations approach—and Mr Thatcher's tendency when the chips are down to come out on the side of the latter. Remember the 1978-79 poster "Labour isn't working"? At the time I pointed out in vain to a member of the Conservative economic team (a) that there were storm signals in the world economy and (b) that the Conservative commitment to reducing inflation and doing so without incomes policy would hardly make unemployment rise any less.

Almost nothing on earth could have stopped the public spending ratio rising in the severe recession and industrial shakeout of 1980-81. But the period was not used for sorting out long-term public spending priorities. As the Conservatives shied away from drastic public expenditure surgery, there was only one course left with the onset of economic recovery. This was to try to sit on the public spending total in the hope that resumed growth would provide a revenue bonus and a margin for tax cuts. To some extent it has.

But a policy of merely keeping the lid on is fraught with risks. Some parts of public spending will inevitably rise, but by unpredictable amounts, including demand-determined items such as social security and farm payments; and the contingencies of life, such as the Falklands War or the miners' strike, will be greater than the size of any reserve. So the Chancellor can only stand still on public spending totals by demanding "cuts" in specific programmes, some of them, invitably, last moment. A proper public spending strategy would start from zero-based examination of the services and redistributional expenditure that need to be organised collectively, provide them with reasonable generosity, and hack away at all the rest.

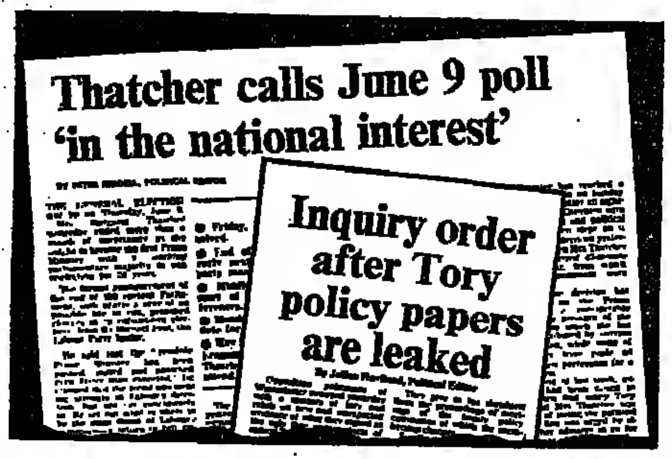
There is at the moment something of a re-examination of the obstacles to employment provided by the National Insurance scheme and institutions. The most progressive employment idea so far announced is the £5m pilot scheme for loans to adults to finance their retraining. But why are all these ideas being considered so far on in the second Thatcher Government, when the need for them (if the reflationary approach was eschewed) has been apparent for many years?

This particular scheme, still at Green Paper stage, is derisory in its amounts—and virtually commercial in its lending terms—compared with the billions still poured into conventional training and education provided "free" on a teacher-knows-best basis.

The clear reason why all the policy re-examinations started so late was the opportunistic decision to call the last election in 1983 a year too early. As a result, the Government fought on a doctor's mandate with no programme; and the pre-election period was taken up in repudiating such modest efforts at rethinking as the leaked Think Tank report.

When the Conservatives did get back, much of their first parliamentary session and some of their second, was taken up with re-enacting proposals left high and dry by the snap election. The Government's present window of opportunity may last only until 1985 before attention turns to the next election, which under the British non-constitution has no fixed date; and the Saatchi and Saatchi safety-first approach will again take over. We could be into a third Conservative Parliament with fundamental reform shelved for an unlikely fourth.

Winning elections is meat and drink to political leaders. But winning them at all costs can only make sense to the community at large in the absence of a civilised alternative government. This is not the place to discuss why we have a system under which Mr Kinnock should be the only alternative to Mrs Thatcher, but simply to restate the familiar view, held for instance by Friedrich Hayek, whom the Prime Minister so much admires, that constitutional reform is a precondition for reducing the role of the interest group state.



PUBLIC EXPENDITURE

Planning total (£bn)

	Cash	Cost terms* (base year 1983-84)	Public expenditure as % of GDP
1979-80	76.9	111.7	39½
1980-81	92.7	113.5	42
1981-82	104.7	116.5	43½
1982-83	113.4	118.4	43
1983-84	120.3	120.3	42½
1984-85	126.3	120.6	42
1985-86	132.0	120.6	41

* Cash figures adjusted for general inflation as measured by the GDP deflator at market prices. The GDP deflator is forecast to increase by some 4¾ per cent in 1984-85 and 4½ per cent in 1985-86.

Jobs, pay, unions and the ownership of capital

A booklet containing reprints of Samuel Brittan's recent articles on these subjects is now available from Nicola Banham, Publicity Department, Financial Times, Bracken House, Cannon Street, London EC4, price £1.50, including postage.

Lombard

Interest rates and the deficit

By Anthony Harris

JUST AFTER the landslide, the unhappy Mr Walter Mondale said that President Reagan would soon be eating crow. It hasn't happened yet, but already the meal is being set out quite visibly.

The President said that America could eliminate its deficit through growth; not true, according to the new projection from Mr David Stockman—a calculation almost as embarrassing as his breakfast-table revelations in Mr Reagan's first term. Even given growth, the deficit will remain stuck near $200bn.

The President said he would not raise taxes. Well, not quite so, according to Senator Robert Dole. What he should have said was that he would not raise tax rates. Stopping loopholes is quite another matter—and that would mean paying more taxes. Among the rumoured stoppages: a cap on mortgage relief and/or no relief for second homes, no deduction for local taxes, and an end to accelerated depreciation allowances in the name of tax neutrality. It sounds as if the Americans have been taking a correspondence course from Mr Nigel Lawson, the British Chancellor.

Borrowing

All that is lacking is Mr Lawson's standard argument for such measures: a lower level of government borrowing and reduced incentives for private borrowing will both help bring interest rates down. The Administration cannot say this, because it still refuses to admit that the deficit is a cause of high interest rates.

However, if you turn this statement round you will not get an argument in Washington. High interest rates cause high deficits, and everyone knows it. Debt interest is now the fastest growing item in federal spending. Less borrowing would help to cut the bill, or at least its rate of growth; but lower interest rates would work faster, because they would cut the cost of servicing past as well as future borrowing. The Congressional Budget Office has worked out that each one-point fall in interest rates will reduce the federal deficit by $24bn in 1989.

As these facts seep into American consciousness, people are suddenly noticing some other rather obvious benefits of lower rates. They might relaunch the sagging housing recovery. They would help debtor countries—even for an oil producer like Mexico, a one-point fall in rates would offset a drop of nearly $2 in the oil price. Lower rates might restore the savings and loan industry to solvency. And above all, perhaps, lower rates might bring the dollar down. The trade figures, the plight of the farm industry and lobbying by just about all American manufacturers have at last convinced the media that a strong dollar is, at this level, not so much a virility symbol as a blinding headache.

Priorities

For all these reasons, it seems clear that they are now watching a major—though so far undeclared — change in American priorities. Getting interest rates down and keeping them down is now at the top of the list. You can see this not only from the future moves now under debate, but from developments in the recent past on the monetary front.

Corporate borrowing from U.S. banks, which was very, very fast in the first half of the year, came to a complete standstill in June, and there is no sign of a revival. A mixture of prudential control by the Fed and sheer panic on the part of banks, whose capital is now more stretched than at any time in history, has caused one of those complex structural changes summed up in the word disintermediation.

This implies less money growth for any given level of borrowing, and that ought to mean a sustained fall in interest rates. It only remains for somebody in authority to say so.

Letters to the Editor

Shortage of teachers

From the Vice-Chancellor, University of Kent at Canterbury.

Sir,—I congratulate you on your leading article (November 6) "Filling a gap in state education." I am sure you are right in saying that adequate definition by industry of the skills which it needs in new technology would be very helpful.

May I add one further consideration to those which you put forward? Probably the biggest single obstacle to a rapid major expansion in professional education in new technology is the shortage of top-class teachers. In fact, contrary to what you suggest, there has already been steady growth in university student numbers in this field, in spite of the 1981 cuts: for example the number of computing students in Great Britain rose by 8½ per cent from 1981-82 to 1982-83 alone, and to take one specific figure which we happen to have, computing students at this university have risen by more than 20 per cent over the last three years. But this growth will be halted, or even reversed, if the Independent College for Information Technologists has to rely on taking staff from the existing, quite limited stock of skilled and experienced teachers.

There is no way in which a large number of such experienced teachers are going to be suddenly created and the teaching system as a whole will be badly disturbed if they are suddenly transferred from one institution to another. In this as in so many other cases the short-term and longer term needs are being sacrificed for a short-term expedient?

David J. E. Ingram (Dr).
The Registry, Canterbury.

Management's lack of skill

From Mr D. Fleming-Brown.

Sir,—Your leader of November 6 addressed the situation of education and information technology. I am concerned that many protagonists of this are aiming at the wrong target.

The aim that we should produce technologists able to develop information equipment (and services) fully competitive to use in our industries and to sell abroad is fine: we must be competitive and not lose that potentially huge market.

I believe, however, it is equally important that we educate managers better in how to exploit the information technology equipment and services becoming available. My experience in industry is that the selection of useful information technology—equipment and services—is relatively simple. The problem comes in getting it well used. Managers often do not know what information they should (or could) have to manage well, or how it should best be presented. That is not an information technology problem: but one of educating our managers and applying intelligent design to management information systems within companies—both considerable tasks with which we should aim to deal.

D. H. Fleming-Brown.
13, Constitution Hill, Ipswich.

Information technology

From the Director, Polytechnic of the South Bank.

Sir,—Your Editorial of November 6 on the proposed new information technology institute refers to the supposed fact that the state institutions are not supplying the technological skills needed by present society. I think you are being a little unfair in lumping together all the state institutions in this instance. South Bank Polytechnic has the largest number of students studying engineering and technology of all the higher education institutions in the UK.

You are right to point to the fact that cuts almost inevitably bear hardest on the laboratory based courses where the cost of replacing equipment is greatest. This is an even more serious problem for Polytechnics because they have been much less generously funded than the universities in the past. A recent visitor to this Polytechnic, who is associated with one of the large auction houses, expressed great interest in some of our equipment since, we were told, it would fetch a good price in the antique section. This equipment is still in frequent use for teaching purposes.

We think we can supply industry's needs and we are fully committed to doing so but we must have the necessary resources, particularly as capital funding. To be fair, I think we should accept some criticism that perhaps we have not in the past had sufficiently close relations with industry but certainly in this institution that has changed.

Your idea of institutes attached to education bodies is attractive in many ways but the real problem is not in devising mechanisms to achieve the desired ends, I believe we could produce those relatively quickly and easily. The real problem is in convincing government and industry that much greater investment in technological education is urgently needed and that it will inevitably be expensive.

John Beishon (Dr).
103, Borough Road, S.E.1.

Who owns the TSB?

From Mr A Wallace

Sir,—I note in your report (November 7) on the Queen's Speech that it is intended to bring legislation forward during the coming year to allow the Trustee Savings Bank to proceed with a share issue.

The TSB is to be congratulated on the strides which it has made in recent years.

Much of this stems from the recommendations of the Page report of 1973 and there is one fundamental point concerning the re-structuring of the TSB which, in the opinion of myself and many others, has never been answered—and that is ownership.

The Page report quite clearly states that if the banks are to be considered as mutual organisations without shareholders the depositors are entitled to the full value of the bank.

Since its inception the TSB has been built up entirely from depositors' funds alone, when profits were earned these were apportioned to the bank concerned and to a mutual assistance fund for the benefit of the movement as a whole.

I would think it would be very difficult to argue that the TSB was not a mutual organisation and it will be interesting to see what opinions are put forward with this proposed legislation to support the right of the TSB to take title to itself rather than the depositors.

A. Wallace.
Gallows Neuk, Galahill, Jedburgh, Roxburghshire.

Voting from abroad

From the Chairman, British Conservative Association of Switzerland.

Sir,—One would have to be ungracious not to welcome—and welcome warmly—the Government's voting proposals for British residents working and living abroad. It is a brisk stride forward, and an absolutely essential advance.

But what a pity the Government should now dash so many hopes after raising so much expectation, interest and enthusiasm by sticking to a seven-year cut-off period. I know this was foreshadowed in its White Paper but, based on my experience in Switzerland, this was a small print detail which escaped most people. They only knew, or rather believed, they were "getting the vote" and were thus looking forward eagerly to the opportunity of demonstrating their continuing commitment to Britain through the ballot box. Now many, possibly most, have found they won't qualify after all, and so they are suitably—and understandably—discouraged.

It is difficult to justify any restriction on British subjects voting in Parliamentary elections when citizens of the Irish Republic living in the UK are quite free to do so. Certainly the fact that most of us—in Switzerland certainly—are here because our companies have sent us, or because we are serving the international organisations (we're not rich tax exiles) is no proper disqualification. But if there must be a cut-off point, then seven years is ridiculously short.

My association will certainly be campaigning vigorously to get changes in the Government's proposals, and hopefully either Ministers or, if not, Parliamentarians will recognise that to spoil the ship now for a half penny's worth of tar would be an unforgivable blunder.

Trevor Russel.
45, chemin de Planta, 1223 Cologny, Geneva.

Extending the M1

From the Secretary, Pudsey-Dishforth Motorway Action Group.

Sir,—It is a great shame that Mr Watkinson (November 3) has not read, marked, learned and inwardly digested the vast amount of evidence published regarding the northern extension of the M1. He might then understand that the last thing that Bradford needs to reduce unemployment is a road that would destroy much of the delightful countryside to the north of the city thus reducing its attraction as a place to live to the entrepreneur so essential to its development. This would be particularly self-defeating as West Yorkshire County Council's statistics show that the demand for travel north east from Bradford is negligible. Moreover routing the M1 traffic through the green belt separating Leeds from Bradford will help neither city.

W. H. J. Mordy.
29, Breary Lane, Bramhope, Leeds.

FINANCIAL TIMES

Thursday November 15 1984

Craxi and Kohl call on Reagan for arms initiative

By Alan Friedman in Stresa

WEST GERMANY and Italy yesterday issued a joint appeal calling on President Reagan to move swiftly to offer the Soviet Union a new initiative in the field of arms control.

Sig Bettino Craxi, the Italian Prime Minister, ended a four-hour summit with Herr Helmut Kohl, the West German Chancellor, by saying that both leaders believed Mr Reagan should use his electoral mandate "to search for ways of opening negotiations with goodwill." He said that 1985 "must be the year of negotiations."

Herr Kohl said he would be carrying this message personally to President Reagan when he visits Washington in two weeks' time.

The two leaders underscored their desire for an improvement in East-West relations, following a wide-ranging series of talks in the northern Italian village of Stresa.

Also attending the summit were foreign ministers Sig Giulio Andreotti and Herr Hans-Dietrich Genscher.

Yesterday marked the first time Sig Andreotti had met the West German Chancellor since the Italian Foreign Minister set off a political storm in September by proclaiming that the two Germanys should remain divided.

Italian and West German officials said the quarrel had been patched up and stressed repeatedly the "friendship" between the two countries.

Much of the summit was devoted to economic and political problems in the European Community. The Bonn Government yesterday asked Italy to work hard to achieve a solution on outstanding agricultural issues relating to the proposed admission of Spain and Portugal to the EEC.

In particular, the Germans are asking Rome to hold bilateral talks with the French in order to agree a compromise on the issue of wine sales, so that Spain and Portugal's request for admission to the Community could be expedited.

J. Matthey to make extra provisions

By Ray Maughan and David Lascelles in London

JOHNSON MATTHEY, the refining and speciality chemicals group, produced profits of £9.4m in the six months to September 30 but warned yesterday that it is making "a series of additional provisions for refining costs, closure costs, doubtful debts, fees and litigation and other contingent liabilities."

The group has already had to set aside £166.1m to cover the cost of the near failure of its banking offshoot, Johnson Matthey Bankers, at the beginning of last month but said that investigations were continuing and a series of reviews, conducted by accountants Coopers & Lybrand, were still in progress.

The reviews consist of a full analysis of the group's assets and operations, an examination of its management, organisation and controls and a review of its capital requirements over "the next few years."

Johnson Matthey has convened an extraordinary meeting on December 6 to allow shareholders to sanction the terms by which Charter Consolidated, the mining and industrial finance group which holds 27 per cent of the ordinary shares, plans to inject an additional £25m of capital.

The original proposals, since modified, were to allow Charter to take a 46 per cent stake in Johnson Matthey. That has now been cut to 33½ per cent as other big shareholders have pushed their right to subscribe for new convertible preference shares.

See Lex; Details, Page 24

Trade union chief seized in S. African clampdown

BY ANTHONY ROBINSON IN JOHANNESBURG

THE SOUTH African authorities yesterday tightened their clampdown on opponents of government policy with the arrest of a leading trade unionist and a prominent student leader.

In dawn raids police arrested Mr Piroshaw Camay, general secretary of the 150,000-strong Council of Unions of South Africa (Cusa), a predominantly black grouping, and Miss Kate Philip, president of the National Union of South African Students (Nusas), which represents white English-language campuses.

A wave of arrests of union organisers and dissidents has followed last week's two-day strike by black workers in the Transvaal which paralysed many industries around Johannesburg and left 22 dead during demonstrations in East Rand black townships.

Last Friday Mr Chris Dlamini, president of the 115,000-member Federation of South African Trade Unions (Fosatu), was detained under security legislation, together with several key members of the committee which organised the strike.

Section 29 of the Internal Security Acts provides for detention without trial in solitary confinement for interrogation.

The arrests have provoked a storm of protest from business and political opposition figures. Mr Bobby Godsell, chairman of the Federated Chamber of Industries manpower committee, said: "The detention of the two most senior officials of the two major black trade union federations poses the single most serious threat to labour reform and collective bargaining since the release of the first Wiehahn report in 1979."

The report led to the legalisation of black trade unions, which has been internationally recognised as one of the few concrete examples of reform in South Africa in recent years.

Apart from trade union and student leaders, the arrests have also included prominent church leaders active in the black townships.

The high degree of organisation and large-scale participation in the two-day stayaway last week is believed to have surprised and perturbed the Government. Most businesses reacted calmly, but Sasol, the oil from coal and chemical company with seven government appointees on its 11-man board, dismissed over 6,000 black immigrant workers.

The unions are believed to have been making plans for further stayaways to back up demands for lower rents, better black education and for the solution of other grievances which underlie the unrest in black townships. The unions have also called for a "black Christmas," a form of consumer strike which would underline the economic power of blacks as consumers and add to the pressure for settlement of black grievances by negotiation.

Why the pressures are different this time, Page 18

Japan's big securities houses seek partners among banks

BY ROBERT COTTRELL IN TOKYO

TALKS on possible co-operation between Japan's Sumitomo Bank and Daiwa Securities, which the two institutions confirmed were taking place on Tuesday, have started speculation that the other three of Japan's big four securities houses might seek similar arrangements with some of the 13 "city banks," Japan's big commercial banks.

While present proposals are limited in scope, such city bank – securities house links would break new ground and point the way to partnerships which might develop further as Japan increases the deregulation of its financial markets.

Yamaichi Securities is rumoured to be linked with Fuji Bank. "At this stage we cannot say that we are now negotiating with Fuji. But we might do," a Yamaichi executive said yesterday.

Mitsui Bank and Sanwa Bank are suggested as partners for Nomura Securities, Japan's largest stockbroker. A Nomura executive said yesterday that no such talks had been held on co-operation with a city bank, but the possibility did exist for the future.

Nikko Securities is thought likely to partner Mitsubishi Bank, Nikko's largest stockholder with 3.2 per cent of its shares.

Japanese banks can own up to 5 per cent of the equity in any company, including securities houses. Otherwise, the two types of institutions have historically been strictly separated by legislation patterned on the U.S. Glass-Steagall Act.

Details of the discussion between Daiwa Securities and Sumitomo Bank have not been disclosed but are thought to include a facility for customers to borrow money from Sumitomo Bank against the security of shares held with Daiwa Securities; a common credit card for the two institutions; and possibly the facility for Daiwa customers to draw on Sumitomo Bank's automatic teller machines for redemption of cash invested in Daiwa's bond funds.

Earlier this year Daiwa pioneered a U.S. "sweep" type account in Japan, through a tie-up with a provincial mutual loan company, the Kyoto Credit Association.

Tokyo brokers say that the big four securities houses have been exploring the possibility of banking tie-ups since the spring and that the focus on common credit cards and secured loans arose from industry-level consultation with the city banks.

Japan's Ministry of Finance is thought likely to approve the links if all "big four" brokers can reach similar agreements. At present, Nomura is believed to be furthest from a banking tie-up.

London exchanges study currency options links with Philadelphia

BY BARRY RILEY IN LONDON

OFFICIALS of the Philadelphia Stock Exchange yesterday discussed the possibility of co-operation in traded currency options with both the London International Financial Futures Exchange (Liffe) and the London Stock Exchange.

The two London bodies could emerge as rivals to move into traded currency options. At present, Philadelphia is the dominant market in exchange-traded currency options, but there is also a large and active interbank market in such contracts. Currency options are rapidly increasing in popularity among corporate treasurers as a means of hedging currency risks.

The Philadelphia representatives are weighing up the possible advantages of a London link which might mean the loss of a significant share of the market but might also facilitate substantial growth of the market in currency options as a whole.

At present, Philadelphia derives half its business in this sector from overseas but suffers from time zone problems. Its local time of opening is 8.30am, but this is 1.30pm London time. A proposal to commence dealings half an hour earlier at 8.00 is encountering resistance from traders.

Both Liffe and the London Stock Exchange are considering currency options as part of their new product development programmes. But neither is giving such contracts the highest priority.

Liffe has just completed an exhaustive survey of its members' view on options contracts. The favourites to emerge were options on two existing futures contracts, for long gilts and three-month Eurodollars. Currency options came third and would amount to more of a break with Liffe's existing business, which is based entirely on futures. On the other hand, Liffe does have a range of currency contracts in place.

As for the stock exchange, it has a large number of traded option contracts, but these are all based on securities (plus the FT-SE 100 Index).

Its next major venture in traded options will be a gilt contract, which is scheduled to start trading on January 10.

However, Mr David Steen, chairman of the stock exchange traded options committee, argued yesterday that Liffe was not in a particularly strong position to start currency options trading.

Bank of Boston to sell HQ

BANK OF BOSTON is to sell its 13-year-old headquarters building to two unnamed institutions for $365m, giving it a book profit of nearly $300m, writes William Hall in New York.

The bank is the latest in a growing list of major U.S. banks, including Security Pacific, Crocker and Interfirst, to sell their headquarters and show healthy profits which are being used to bolster capital and loan-loss reserves.

Bank of Boston Corporation had shareholders' funds of $1.1bn and assets of $21.3bn

Renault 'in Soviet talks'

RENAULT, the state-owned French car group, was reported last night to be negotiating a major industrial co-operation deal with the Soviet Union, writes Paul Betts in Paris.

M André Sainjon, the secretary-general of the pro-Communist CGT metalworkers' union, claimed that the negotiations, which have been going on for several months, involved a "very large contract" with the Moskvitch car plant. He also warned the French Socialist Government not to obstruct or block the negotiations.

M Sainjon claimed the deal involved co-operation by Renault to modernise the production of Moskvitch cars. He warned that if the French company was obstructed in its negotiations, the deal could go to the West Germans.

Renault last night indicated that the French union leader was probably referring to a protocol agreement signed between the French car group and the Soviet authorities at the end of November 1983. The agreement envisages Renault co-operating in the development of a new medium-sized car for Moskvitch which should go into production in 1986. Renault is also providing FFr 300m ($33.24m) in engineering and technical services to Moscow.

Executions to continue in Chinese crackdown on crime

By Mark Baker in Peking

CHINESE PUBLIC security officials pledged yesterday to continue the campaign of executions in which thousands of people have been put to death in a bid to curb rising crime.

Although the Government claims that use of the death penalty is bringing results, a new outbreak of lawlessness is plaguing schools in Peking and the provinces. Teachers in the capital have demanded official protection after a spate of attacks on them by students, parents and neighbourhood gangs.

There is no suggestion yet that the death penalty will be used to deal with this problem, but the head of the Ministry of Public Security's Research Department, Wang Jingrong, affirmed yesterday that the execution of criminals was necessary to educate the Chinese public.

"It is true that we executed some people in the past year, but it was only because we didn't do a good job in the previous three years," he said.

"Some people who deserved to be executed were not put to death, and the people were greatly dissatisfied. In a big country like ours with a population of one billion people, it is good to have some people executed to educate others."

Wang was speaking at what was believed to be the first press conference for foreign correspondents ever given by senior Chinese security officials.

The press conference appears to have been aimed at countering widespread criticism abroad of the anti-crime campaign.

Wang refused to disclose how many people had been executed since the campaign began, on the orders of the standing committee of the national people's congress, in late August last year. Western diplomats and Amnesty International believe at least 5,000 and possibly as many as 10,000 people were shot.

Denying that any people had been punished for political offences, Wang blamed recent increases in crime on the breakdown of social order during the cultural revolution and the more recent "negative influence of the outside world."

Outraged letters to the offical press on school violence in Peking have also pointed the finger of blame at the cultural revolution and its "pernicious influence."

Peking teachers called a rare protest meeting last week after three of their number were seriously injured at a suburban middle school by a mob wielding iron bars and wooden staves.

In one of a series of other cases reported in Peking over the past two years, a woman teacher was beaten unconscious in front of her class of primary pupils after seven people burst in brandishing sticks, a whip and knives and yelling obscenities.

The official press claimed the attack, after an argument with a parent, was later "covered up" by a Party official and only two of the attackers were punished.

In one county of central Hunan province, teachers were beaten up on six occasions by peasant parents, but only once were the attackers punished.

The latest attack, at the Taipinglu middle school in western Peking, followed a row over two new storeys added to the school building during renovations.

Transport company workers living opposite the school claimed their rooms were shadowed by the extensions. During the worsening argument, some of the workers pulled down the new structure. Then, one evening, a mob raided tha school and attacked the teachers.

Police arrested seven of the attackers, and three victims were taken to hospital with serious injuries. Some classes were cancelled for several days because students were too frightened to go to school.

Slower industrial growth, Page 5;
San Francisco links, Page 6

U.S. deficit warning

Continued from Page 1

cit will result in a political stalemate. It is argued that only a sense of impending crisis as a result of the deficit problem will break this stalemate.

Mr Stockman is recognised as an Administration official who feels that economic growth will not resolve the deficit problem, and the upward revisions of the deficit projections by the OMB will be seen as backing that case.

The White House is said to be divided on a strategy for tackling the deficit beyond the generally accepted premise that the first priority is to pressure Congress into accepting cuts in government spending programmes.

THE LEX COLUMN

Hoechst in its prime

Even by the recent standards of the West German chemical Big Three, Hoechst's interim profits yesterday were pleasing enough, with a 60 per cent increase on pre-tax to DM 2.12bn in the nine months to September. Third-quarter turnover at home emerged unscathed from the interminable German summer holiday while Hoechst is still powering into the Americas and the Far East on the wings of a helpful dollar-DM exchange rate.

Though less rooted than BASF in bulk chemicals, Hoechst still faces problems. Prices are already starting to weaken in response to the new Saudi production – while the company's Kuwaiti link has yet to provide much co-operative benefit. At home, tighter drug regulations are narrowing pharmaceutical margins, and even if Hoechst's motor industry clients move out of the environmental firing line, who knows when Hoechst itself might not star in the Bundestag's Poison-of-the-Month series? Abroad, it will lose more from a firmer dollar in third markets than it can gain from cheaper raw materials.

The German stock market is in better temper after a morose first half. But with signs that profits growth is past its peak at Hoechst, a 30-pfennig increase yesterday to DM 177.50 is not insulting.

Johnson Matthey

All parties concerned in the future of Johnson Matthey must by now feel that they are walking on eggshells, given the fragility of JM's balance sheet and the delicate balance of numerous conflicting interests. And yesterday's unscheduled announcement of some sickly interim results, packed in as part of the rescue prospectus, rather shook the market at a vulnerable moment – when traders were only beginning to drift back from lunch.

The immediate result was to knock the share price down from 138p to 120p, taking almost £25m off JM's capitalisation. The publication of a statement that bristled with provisions, and with health warnings about possible future write-downs, was not unnaturally taken as a defensive manoeuvre designed – in the interest of Charter Consolidated – to scare off BP, and any other potential bidder. It could with at least equal justice be explained as the result of professional caution – two firms of accountants are still crawling around the wreckage – combined with haste.

The prospectus certainly makes grisly reading. After writing off £166m below the line, JM has proforma net worth of £268m, which is somewhat less than its short-term indebtedness to banks, quite apart from nearly £200m of liabilities in the form of borrowed metal – and a few millions of debentures where it is admitted that the trust deeds have been breached.

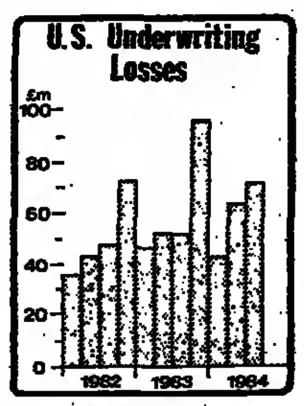
The trading picture is murky, but probably represents nothing too disastrous. Provisions in mechanical production – and the effects of a fire in chemicals – have made the interim pre-tax of £9.4m look a good deal worse than it might have done in other circumstances. That does present BP with an even more ticklish job than before in weighing up what it can reasonably offer for JM's ongoing businesses – if it still wants to buy them.

The best guess is that it does, even after receiving a document which was described in the market as tasting like an arsenic sandwich.

Commercial Union

Commercial Union's U.S. strategy has been buried in the market-place for at least a year, so the last rites formally administered by the company yesterday were more posthumous than anything else. Of the grand plan only the emphasis on developing a strong personal lines business in the U.S. remains. CU is pulling out of the larger commercial classes altogether, cutting back drastically on its agency list and in many cases repossessing the underwriting pen.

CU has accumulated such a store of ill-will in the City of London that it cannot count on a positive response to any policy decision. The group may indeed miss out on the recovery in commercial lines across the Atlantic, but at least the U.S. business now seems to have a viable future, whereas pursuit of the earlier strategy might easily have courted disaster.



Whatever happens, the U.S. will take a long time to set straight. Operating losses are still running at a quite horrible level, and the company is again having to strengthen its reserves. CU is optimistic that it can contain the effect of shrinkage on its expenses ratio and that the commercial lines can be run off without a flurry of claims. But, even if that optimism proves justified, the benefits of retrenchment may take a year to show through, and, in the meantime, there is little joy to be had in either Canada or the UK.

The ground seemed to have been well prepared for yesterday's figures, and, in the event, the share price rose 1p to 173p where, on the fairly safe assumption of a maintained final dividend, the yield is 10 per cent.

Tesco

At 212p, down 3p last night, Tesco now sits on a multiple of nearly 16 times prospective 1984-85 earnings, assuming pre-tax profits of £80m or more. This year's share performance suggests creeping second thoughts in the British markets about the 1982-83 re-rating, and yesterday's interim results for the half-year to August will probably settle few qualms on this score.

The jump in pre-tax profits from £25m to £30.3m certainly reflects more than just a buoyant retailing background. Tesco has achieved a 7 per cent volume gain in existing stores and has juggled its cash flow adroitly to fund more heavy capital spending. It has added only a net 15,000 sq ft of sales space so far this year but has pushed own-label sales and higher-margin products well ahead as a proportion of the total.

Meanwhile, though, Tesco is spending more than ever on its various reorganisation plans – all of which have yet to register any marked impact on margins. Sceptics can still wonder whether, by the time Tesco has found all the answers in its long quest for improved competitiveness, its rivals in the retail sector may not have changed all the questions.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	C	16	61	Dubrovnik	S	20	68	Malaga	C	15	59	Salzburg	S	8	46
Akrotiri	C	18	64	Faro	F	16	61	Malta	F	21	70	Seoul	C	13	55
Algiers	F	19	66	Florence	C	12	54	Manila	S	33	91	Singapore	F	27	81
Amsterdam	S	9	48	Frankfurt	S	9	48	Miami	C	22	72	Stockholm	S	7	45
Athens	C	14	57	Funchal	R	17	63	Milan	C	9	48	Strasbourg	C	6	43
Bahrain	S	25	77	Geneva	C	7	45	Moscow	F	-4	25	Sydney	F	23	73
Bangkok	F	33	91	Gibraltar	F	17	63	Munich	F	3	37	Taipei	C	28	82
Barcelona	F	17	63	Guernsey	F	9	48	Nairobi	F	24	75	Tangier	C	16	61
Beirut	F	20	68	Helsinki	C	6	43	Naples	C	16	61	Tehran	-	—	—
Belgrade	F	6	43	H. Kong	C	24	75	New Delhi	S	26	79	Tel Aviv	F	22	72
Berlin	F	4	39	Innsbruck	F	6	43	New York	C	5	41	Tenerife	C	20	68
Biarritz	R	10	50	Inverness	F	8	46	Nice	R	14	57	Tokyo	C	14	57
Blackpool	F	10	50	Istanbul	F	6	43	Oporto	S	13	55	Toronto	F	5	41
Bordeaux	C	11	52	Jersey	C	9	48	Oslo	C	1	34	Tunis	S	22	72
Brussels	S	12	54	Jo'burg	F	18	64	Paris	R	11	52	Valencia	R	15	59
Budapest	C	1	34	Las Palmas	F	19	66	Prague	S	7	45	Venice	F	9	48
B. Aires	F	23	73	Lima	F	21	70	Reykjavik	C	2	36	Vienna	F	2	36
Cairo	S	23	73	Lisbon	F	15	59	Rio de J'o	R	26	79	Warsaw	S	0	32
Cape Town	S	26	79	Locarno	C	11	52	Rome	R	14	57	Zurich	Fg	5	41
Caracas	C	27	81	London	F	11	52								
Casablanca	C	17	63	Los Angeles	C	21	70								
Copenhagen	F	8	46	Luxembourg	Fg	4	39								
Corfu	-	—	—	Madrid	F	11	52								
Dublin	C	4	39	Majorca	C	13	55								

Readings at mid-day yesterday:

C–Cloudy D–Drizzle F–Fair Fg–Fog R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

Swedish training funds

Continued from Page 1

yesterday that "It could have been worse."

Around 8,000 companies are likely to be affected by the scheme. The Swedish corporate sector currently has a large amount of excess liquidity, however, so it should not be hit too hard by this latest measure.

The liquidity will only be siphoned off temporarily, and privately many companies expect to be able to use the funds for projects which they would have carried out in any case. The allocations to the funds will be tax deductible.

The new funds will hit the net profits reported by Swedish corporations in 1985, but they will not have any significant impact on companies' underlying profitability. Net profit statements play no significant role in judging a Swedish company's profitability because of the generous allocations that can be made to untaxed reserves.

● New figures released yesterday show that inflation in Sweden is still running well above the level of its main trading rivals. The inflation rate in October fell to its lowest level since July 1979 at a year on year rate of 7.3 per cent. This was still well above the 4.3 per cent September level recorded by Sweden's eight most important trading partners.

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SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Thursday November 15 1984

UK gilts role for Security Pacific

By David Lascelles, Banking Correspondent, in London

A JOINT venture which will act as an inter-dealer broker in the reformed UK gilt-edged market is to be set up by Security Pacific, the California bank, and Tullett & Tokyo Forex International, the UK-Japanese money broker.

The venture will be called Tullett & Tokyo Securities.

In the blueprint for the gilt-edged market put forward by the Bank of England last week, inter-dealer brokers will act as exclusive go-betweens for primary dealers making markets in government securities.

Security Pacific already owns such a broker on Wall Street, RMJ Securities.

The City venture is part of Security Pacific's intention to build up a global securities business, although quite how it will marry up with the bank's proposed ownership of Hoare Govett, the London stockbroker, has not yet been worked out.

Tullett & Tokyo Forex is a combination of Tullett & Riley, the UK money brokers, and Tokyo Forex, one of Japan's largest money broking firms.

Court blocks Itoh UK sales

By Jason Crisp in London

DIGITAL Equipment Corporation (DEC), the world's second largest computer company, has forced C. Itoh Electronics group, a leading Japanese supplier of special terminals which are compatible with its minicomputers, to withdraw its latest model from the UK market.

C. Itoh Electronics group, a subsidiary of C. Itoh, the large Japanese trading house, suspended sales of its DEC-compatible terminal following the threat of legal action from the U.S. computer group.

Dome falls to C$4.2m loss in third quarter

BY BERNARD SIMON IN TORONTO

DOME Petroleum, the debt-burdened Canadian energy producer, suffered a third-quarter net loss of C$4.2m (U.S.$3.2m) or 2 cents per common share compared with a C$10.3m or 3 cents a share profit a year earlier. The third-quarter loss brings Dome's losses for the nine months to September 30 to C$105.4m, up from C$68.5m in 1983.

The company said that it had not yet decided on the timing and terms of an international equity issue required by its 54 lenders as part of a provisional debt rescheduling agreement signed earlier this year. Under the agreement, the share issue must be completed by early February 1985. Dome is likely, however, to ask for another extension if market conditions are not favourable for its offering, expected to total around C$350m.

Dome's third-quarter revenues dropped to C$579.7m this year from C$610.7m in 1983, and operating income fell from C$212.4m to C$199.6m.

Contract drilling earnings sagged by more than one-fifth, reflecting a fall-off in work for Dome's Arctic drilling fleet. The company's mobile drilling vessel is currently idle.

Oil and gas revenues increased as a result of higher oil prices and firmer domestic demand for natural gas. Operating income, however, from oil and gas sales, which account for about half of Dome's revenues, stagnated due to higher depletion, depreciation and amortisation provisions.

Dome said that its long-term debt stood at C$8.1bn on September 30. Debt-related foreign exchange losses reached C$44.9m in the first nine months of this year, but the company said that it recently converted U.S.$12m of its loans to Canadian dollars to reduce its exposure to currency fluctuations.

The third-quarter results were bolstered by a C$23.3m gain from the sale of Dome's minority interest in Sovereign Oil and Gas, the North Sea energy group. The disposal of assets unrelated to Canadian oil and gas production, natural gas liquids and contract drilling, is another key element in Dome's recovery strategy.

The company said that sales of assets realised C$126.1m in the first nine months of 1984. The bulk of the proceeds were used to repay debt. Among the properties still to be sold are a large Quebec shipyard and a Yukon lead and zinc mine.

General Mills plans major workforce cuts

By Our Financial Staff

GENERAL MILLS, the diversified U.S. consumer products group, plans "a substantial reduction" in the number of employees at its Izod clothing unit as part of a plan to cut expenses by more than a third and to restore profitability at the unit.

The company said that after two years of moderate decline Izod's current year sales prospects were down nearly 50 per cent from their peak as deterioration continued in major sportswear market segments where it competes. That would result in Izod operating at a loss in the current fiscal year which ends on May 31.

Mr Bruce Atwater, chairman of General Mills, said the company is expecting second-quarter earnings per share to decline more than 25 per cent from the $1.71 a year earlier.

Western Union omits quarterly dividend

BY OUR NEW YORK STAFF

WESTERN UNION, the U.S. telecommunications group which is trying to expand its Easylink electronic mail service, plans to drop its 35 cents a share quarterly dividend.

The announcement came a day after rival Federal Express shares dropped sharply on an announcement that it was cutting the price of its electronic mail service, Zapmail. Both events highlight the competitive nature of the infant but fast-growing market for computer-to-computer electronic communications in the U.S.

Western Union, one of the front-runners in the electronic mail delivery business, said that its planning committee voted yesterday to recommend the dividend cut, which will be considered by the full board later this month.

The move has the backing of Mr T. Ronald Berner, Western Union's recently appointed chairman and chief executive, who has already made it clear that he intends to concentrate resources on expanding the electronic mail service.

Mr Berner said: "The common share dividend has been maintained at its current level for many years, even during periods when it was not earned. However, we now are about to record a net loss for the second year running. Under these circumstances, and considering the cash requirements for expansion and promotion of our Easylink service, it would be imprudent to continue with the common dividend."

● MCI Communications, the U.S. telecommunications group, is to introduce three new electronic mail services in January which will allow companies to connect their internal corporate networks to courier and telex services as well as their business contacts through MCI, Reuter reports.

Earnings drop 27% for Macy in quarter

By Our Financial Staff

THE RECENT mixed performance by U.S. stores groups was emphasised yesterday with a sharp fall in first-quarter net profits at R.H. Macy, which operates 96 department stores in 14 states.

Earnings for the three months ended October 27 dropped 27 per cent from $42.9m or 85 cents a share to $31.4m or 61 cents. Sales in the latest quarter were $1.01bn, up from $929.4m in the comparable period.

For the last full fiscal year ended July 31, Macy posted net earnings of $221.8m or $4.37 a share on sales of $4bn, with profits growth slowing sharply in the fourth quarter after healthy gains in the first three quarters.

Earnings were also lower at Federated Department Stores, which operates more than 340 department and speciality stores, 82 discount stores and 127 supermarkets.

Third-quarter net operating earnings dipped from $55.4m or $1.14 a share to $42.3m or 87 cents. This left the nine-month total at $113.2m or $2.33 a share, down from $139m or $2.86.

The 1984 figures exclude a $14.7m or 30 cents a share gain from the sale of a partnership interest, while 1983 returns exclude net gains of $26.6m.

Nine-month sales were $6.4bn against $5.81bn, with the third quarter providing $2.26bn against $2.07bn.

In contrast the much smaller Ames Department Stores, the Connecticut-based discount department store chain, lifted third-quarter earnings from $5.4m or 42 cents a share to $7.5m or 52 cents, taking the nine-months figure to $16.8m or $1.18 a share against $11.2m or 87 cents.

Sales rose from $182m to $205.1m in the quarter.

American Express pumps $200m into Fireman's Fund unit

BY PAUL TAYLOR IN NEW YORK

AMERICAN Express, the U.S.-based financial services group, said yesterday that it had added $200m in new capital to its troubled Fireman's Fund insurance unit. The move appears in part to reflect pressure from state insurance commissioners.

Late last year Amex was forced to bolster Fireman's Fund reserves by $230m, resulting in a $21.9m 1983 fourth-quarter loss for the parent company and its first full year earnings decline in 36 years. Since then American Express appears to have succeeded in stemming any further worsening of the problems at its California-based insurance unit which managed to post small profits in each of the last three quarters.

American Express said yesterday that it was adding capital to the insurance unit "to enhance its net worth and to offset adjustments to statutory reserves required by the California insurance department."

American Express said that $130m of the $200m contribution was to offset adjustments to statutory reserves made necessary because of recent rulings by the California insurance department which have forced Fireman's Fund to restate three transactions made in 1981.

The financial services group said the contribution to the Fireman's Fund surplus would have no negative impact on American Express's fourth-quarter earnings. The group added that underwriting results for the unit were "not different" in the fourth quarter from the level in the first nine months of this year. Last month Amex said claim volume remained stable in the third-quarter.

In the first nine months this year, American Express's insurance services division posted net income of $32.6m compared with $171.1m in the 1993 period on revenues which increased by 7.9 per cent to $3.02bn.

Credit rating boost for Continental Illinois

BY WILLIAM HALL IN NEW YORK

STANDARD & POOR'S, the U.S. credit rating agency, has raised its rating on the commercial paper and corporate debt of Continental Illinois, as confidence in the beleaguered Chicago bank improves.

The rating agency announced that it had increased Continental's senior debt rating from BB to BBB – and raised the rating on its subordinated debt from BB– to BB. The rating on the bank's commercial paper has been increased from B to A – 3.

S & P also raised the ratings on subordinated debt issued by Continental Illinois overseas finance to BB from BB– and affirmed the BBB rating on debt issues supported by the bank's letters of credit.

S & P said its action followed the recapitalisation plan arranged by the bank regulatory authorities. The moves, it added, provide the financial underpinnings to allow Continental to rebuild balance sheet integrity and earnings dynamics.

The agency noted that future business vitality is dependent on senior management rebuilding its staff and re-establishing both lending and funding relationships.

Earlier this month the bank submitted a secret asset reduction plan to the Federal Reserve as part of the agreement under which the regulators injected extra capital and provided continuing liquidity support for the bank.

Docutel hit by Olivetti's AT&T link

By James Buxton in Rome

DOCUTEL, the U.S. automated banking equipment maker in which Olivetti has a 49 per cent stake, lost $11.9m in the second quarter of 1984. This brought the loss for the first half of 1984 to $29.5m.

Sales in the second quarter, which ended on September 30, amounted to $44.1m. Sales for the first half of the year were $124.1m.

In the second quarter of 1983, the company made profits of $710,000 on sales of $60.4m, but lost $812,000 on sales of $170.3m in the first half.

The figures indicate the declining sales and deepening losses experienced by the company.

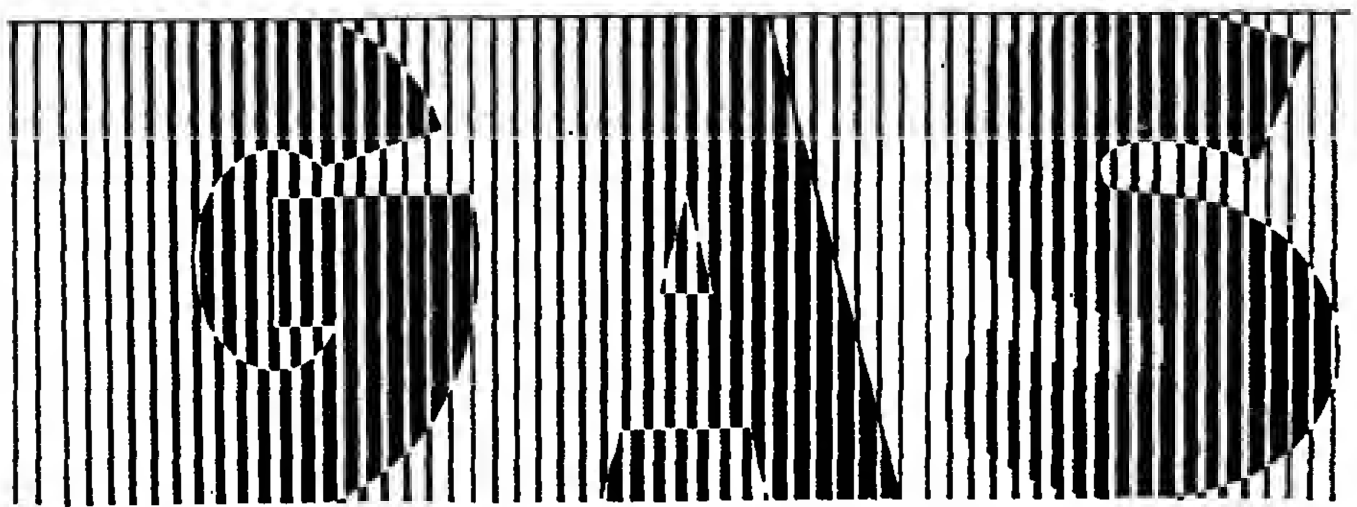
Docutel which makes automatic teller machines for banks, was formerly the sole U.S. distributor of Olivetti office automation products. Early this year, however, Olivetti made an agreement with AT&T, under which the U.S. giant will buy up to $250m worth of Olivetti products a year for marketing in the U.S. The conclusion of this deal – which followed AT&T's purchase of a 25 per cent stake in the Italian company – has led to a reduction in Docutel's role as an Olivetti distributor.

Atari seeks to raise $150m

ATARI, the California-based electronic games company headed by Mr Jack Tramiel, plans to raise $150m in the next 18 months through private and public placements, AP-DJ reports.

Mr Tramiel said that Atari would raise the sums in three equal instalments – a private placement and a public issue in 1985 and a third issue in 1996.

He said the company had collected less than $50m of the $300m in receivables it had acquired when he bought the company from Warner Communications in July.



Casino buys U.S. group for $116m

By David Housego in Paris

CASINO, the French retail and restaurant group, has boosted its U.S. interests with the purchase of Smart and Final Iris, the California-based cash and carry group for $116.7m.

The French group sees the acquisition dovetailing with its existing U.S. cafeteria activities and boosting exports from France of Casino-produced grocery products. SFI specialises in discount volume sales of food and hardware goods for restaurants, companies and bulk buyers.

The deal was financed through $85m of borrowings in the U.S. and $31.7m raised in cash and loans through Casino France. It will increase the proportion of consolidated turnover derived from the U.S. from 8.9 per cent this year to 11.6 per cent in 1985.

Last year Casino, whose main income stems from supermarkets and hypo-markets in France, reported a 2 per cent fall in consolidated profits to FFr 157.9m ($17.3m) on the back of a 10 per cent increase in turnover to FFr 16.5bn.

Casino's widening of its U.S. base reflects a growing trend by French companies to establish a strong foothold in the U.S.

As a result of the SFI acquisition, the combined turnover of Casino's U.S. subsidiaries is expected to expand from $352m in 1985 to $546m by 1989.

SFI is expected in 1984-85 to make pre-tax profits of $14.2m after only just breaking even last year. It is seen by Casino as having strong earning potential with pre-tax profits rising to about $21m by 1989. Turnover this year is expected to be about $330m.

Its contribution to Casino's net consolidated results will be only about $1m this year because its earnings will only be partially incorporated.

Dutch purchase by PHW

By Rupert Cornwell in Bonn

The PHB-Weserhütte group of Cologne, one of world's leading bulk handling concerns, has acquired an 80 per cent interest in a Dutch company which specialises in the design and manufacture of mining equipment.

The stake, for which the price paid was not disclosed, is in BBT, a small concern which has recently been restored to financial health after previously applying for Vergleich, or court protection from its creditors.

It has been acquired by PHB Transport und Lagersysteme, a subsidiary of PHW, with the aim of improving the access of the German group to the bulk handling market in the Benelux countries.

Strong earnings growth maintained at Hoechst

BY JOHN DAVIES IN FRANKFURT

HOECHST, the West German chemical and pharmaceutical group, continues to turn in strong profits as a result of increased sales in domestic and foreign markets.

Worldwide pre-tax profits reached DM 2.12bn ($72bn)—60 per cent up on the first nine months of last year and a clear margin above the DM 1.96bn earnings for the 1983 full year.

Sales worldwide were 12.6 per cent better than in the first nine months of last year at DM 30.82bn.

Professor Rolf Sammet, the chief executive, hinted a month ago that the company might increase its per share dividend from DM 7. He pointed out that with improved profits Hoechst would be in a position to pay a higher dividend on its recently increased capital.

Germany's "big three" chemical concerns — BASF, Bayer and Hoechst—have all been increasing profits this year as the volume of sales and capacity utilisation have improved. They have also benefited from restructuring, notably in plastics and synthetic fibres.

The industry has received strong impetus from business abroad, with the high dollar boosting earnings in terms of D-marks.

Hoechst lifted sales revenue in West Germany by 5.8 per cent to DM 7.68bn in the nine months, while business abroad was up by as much as 15.1 per cent at DM 23.14bn.

The volume of products sold worldwide was 8 per cent ahead of the same period last year. Capacity utilisation of the parent company rose to 83 per cent, compared with 76 per cent in the first nine months last year.

Hoechst said that sales growth was above average in agricultural protection, fibres, information technology and plastic materials, including plastic film.

In the third quarter, sales in Germany were broadly the same as in the previous quarter, but 1.6 per cent better than a year ago. Business abroad did not reach the second-quarter level, because of seasonal factors, but was 12.6 per cent up on a year earlier.

Hoechst is to co-operate in the immunological field with Immunex of the U.S. The aim is biotechnological development, production and marketing of preparations which, it is hoped, might have a bearing on treatment of anaemia and leukaemia.

German builder trims operations

BY OUR FINANCIAL STAFF

BILFINGER und Berger, the West German construction group, plans to improve its organisation and implement cuts at construction sites as a means of countering the effect of declining profits.

The company cut the number of employees to 24,570 in the first nine months of which 8,010 were employed at home and 16,560 abroad. At the end of 1983, Bilfinger employed 26,412.

In a letter to shareholders it said its profits are still satisfactory because of orders won in previous years. But it expects construction work completed to drop to DM 3.3bn ($1.12bn) this year from DM 3.5bn in 1983.

Order backlog stood at DM 4.35bn at end-September 1984, of which DM 1.09bn was domestic and DM 3.25bn foreign, after DM 4.13bn at the end of 1983.

Although domestic incoming orders in the nine months, at DM 943m were below the DM 978m seen in the first nine months of 1983, foreign orders picked up to stand at DM 1.77bn at end-September, more than double the DM 715m seen a year ago.

The rise was due to increases in business in various parts of the world, including Libya, Nigeria and the U.S., the company said.

Construction work completed by Bilfinger in the nine months fell to DM 2.50bn from DM 2.60bn in the same year ago period. Foreign work fell to DM 1.54bn from DM 1.74bn.

● Deutsche Shell expects this year's operating losses in the oil sector to be around 1983 levels of DM 448m. The company as a whole, however, is still profitable and "financially secure."

The West German oil industry since summer 1980 has suffered losses in the oil sector totalling DM 18bn, Deutsche Shell noted. It blamed high capacities in every field of the oil business,

Esselte shows steady advance at nine months

BY DAVID BROWN IN STOCKHOLM

ESSELTE, the Swedish office supply, graphics and packaging group which has floated its largest and most profitable division in New York, reports that pre-tax earnings rose significantly faster during the nine months eoded September, than in the comparable period last year.

Sales climbed by 9 per cent to SKr 6.12bn ($724m), or by 14 per cent when adjusted for acquisitions and disposals, the group says.

Operating profits rose by 17 per cent. Lower net financial costs brought the result before extraordinary items to SKr 408m, a 27 per cent rise.

The Swedish market grew slowly during the third quarter, and most of the group expansion was generated by foreign operations, most of which were grouped under the Esselte Business Systems (EBS) division. This was listed on the New York Stock Exchange in September, and raised $41.6m.

Roughly half the amount raised in the U.S. was used to purchase Nielson Moulding Design, a U.S. plastic picture frame manufacturer. The bulk of the rest was used to pay EBS debts.

EBS, which includes the Dymo, Pendaflex, Oxford and Esselte Office Supplies and Graphic Arts divisions, will pay a quarterly dividend of 7 cents per share. The U.S. unit, which accounted for 52 per cent of group sales last year, said its turnover rose by 10 per cent to $448m.

Strong demand is expected to continue through 1985 and Esselte has reiterated its forecast of SKr 600m earnings and SKr 8.5bn sales for 1984.

● **PKbanken**, has become the second Swedish bank to open a representative office in Peking. Skandinaviska Enskilda Banken, Sweden's biggest bank, opened an office in Peking last year.

PKbanken, the country's third largest commercial bank, is already present in Singapore and Hong Kong through its jointly owned affiliates, PK Christiania Bank (South East Asia) and PK Christiania (Hong Kong).

Profitable 1984 seen by Cologne Re

By Jonathan Carr in Cologne

KOLNISCHE Rückversicherung (Cologne Re), the West German reinsurance concern, is heading for another profitable year in 1984 thanks to buoyant investment income and a further cut in losses on reinsurance.

Premium income is likely to fall for the second year running, as the company continues to reduce its involvement in the most unprofitable reinsurance sectors.

For last year, Cologne Re is paying an unchanged 18 per cent dividend after boosting pre-tax profits to DM 23.7m ($8m) from DM 20.2m and markedly strengthening reserves.

Gross premium income dropped by 2.8 per cent to DM 1.5bn, with reinsurance losses falling to DM 81.9m from DM 89.9m. Profits from investment income rose by 18.5 per cent to DM 133.4m.

Despite the steady reduction in reinsurance losses, Cologne Re says there is no early prospect of actually making a reinsurance profit.

INTL. COMPANIES & FINANCE

Special gain bolsters ITT result

BY PAUL TAYLOR IN NEW YORK

ITT, the U.S.-based multinational, yesterday reported higher third-quarter net earnings, bolstered by a $54.7m realised book gain from its investment in Standard Telephones and Cables (STC) of the UK.

Excluding this gain, resulting from a revaluation of ITT's 27.3 per cent stake in STC to $237m at the end of September after STC's acquisition of ICL, earnings fell by 41 per cent.

Consolidated net income for the quarter increased to $115.6m, or 77 cents a share, from $103.8m, or 69 cents a share, a year earlier. Sales and revenues grew from $4.4bn to $4.7bn. This included insurance and finance revenues, which increased to $1.8bn from $1.5bn.

ITT, which is in the midst of an extensive corporate restructuring, also revealed for the first time that it will take an after-tax $124m gain in the fourth quarter on the recent sale of its Continental Baking unit to Ralston Purina for $475m.

Significantly, ITT hinted that the gain, plus that from the revaluation of its STC stake, might be offset in full-year earnings by costs associated with streamlining operations, reducing debt and improving profitability.

ITT has hired Lazard Freres and Goldman Sachs to examine ways to "enhance shareholder values." Mr Rand Araskog, ITT's president, chairman and chief executive, said yesterday that efforts in the areas of diverstitures cost reduction, asset evaluation and restructuring might "reduce future income in the near term."

He said that this year such reductions might offset the gain on the sale of Continental Baking and the recognition of the increase in the value of ITT's investment in STC.

Net income, including the non-operating gain, increased by 11 per cent, while sales and revenues, excluding foreign exchange effects and divested units, were up 12.2 per cent.

Mr Araskog said the third quarter of the year bad proved to be a difficult environment for two of the chief businesses in which ITT operated telecommunications equipment, and domestic property and casualty insurance.

It was, however, a strong period for several other main operating areas; automotive, industrial products, defence and space, and financial services.

For the first nine months ITT, which suffered a serious setback earlier this year because of problems at its Hartford Insurance unit, posted net income of $273.2m, or $1.81 a share, on sales and revenues of $14.2bn, compared with net income of $396.4m, or $2.64 a share, on sales and revenues of $13.5bn in the 1983 period.

Excluding foreign exchange effects and divested units, ITT said, sales and revenues were 10.6 per cent higher in the latest period.

Mixed results from Japan's shipping lines

By Yoko Shibata in Tokyo

MIXED EARNINGS have been reported by Japan's six major shipping companies for the half year ended September 30. Those shipping concerns with liner operations as their mainstays of business, such as Nippon Yusen Kaisha (NYK) and Mitsui O.S.K. Line (MOL), boosted half-year pre-tax profits by 29 per cent and 100 per cent, respectively, thanks to active cargo movements in the Japan-North American trade, and the U.S. economic expansion. On the other hand, the tanker market continued in the doldrums, hit by higher war insurance premiums caused by troubles in the Gulf of Peru, coupled with excess worldwide capacity. The tramper market was also hit by the delivery of a massive volume of bulk carriers.

As a result, those shipping concerns with a higher proportion of tanker and tramper operations such as Yamashita-Shinnihon Steamship (YS Line) and Japan Line suffered an increase in their pre-tax deficits. YS Line suffered higher losses despite resorting to sales of securities worth Y2.9bn ($12.1m).

For the full fiscal year the top three lines, NYK, MOL and K Line have revised their earnings forecast upward, thanks to a continued favourable contribution from liner operations on the North American route.

Keating offers banks free hand

MELBOURNE—The limited number of foreign banks which will be granted Australian banking licences next year will have no restrictions placed on their competition with domestic banks, Mr Paul Keating, the Australian Treasurer said at a banking conference here yesterday.

This is in marked contrast, he declared, to the Canadian model where the 5S foreign banks allowed entry were initially restricted to a total share of only 8 per cent of the market.

In September the Australian Government called for applications for new banking licences from domestic and foreign groups by November 23.

While Australia is restricting the number of banking licences, it is not closing the financial market to those institutions which will not enjoy a full banking presence, either by their own or the Government's choice, said Mr Keating.

Australia has no restrictions on foreign institutions setting up merchant banks, which can undertake a wide range of banking activities including currency dealing, or representative offices, he declared, adding that he would stress this to any foreign government which suggests entry of Australian banks to their markets should be restricted on the basis of reciprocity.

The Government has not yet decided how many new licences will be issued but market speculation here estimates about about six to eight.

● New South Wales is to allow a three-year holiday on state production royalties to any group making commercial oil or gas finds in the state, Mr Peter Cox, the NSW Mineral Resources and Energy Minister, said in Sydney yesterday.

NSW will also rebate 50 per cent of the cost of seismic surveys against royalties. The moves are aimed at encouraging exploration in NSW, the only mainland Australian state without proven gas and oil fields.
Reuter

Strong dollar draws UAE funds

BY ANGELA DIXON IN ABU DHABI

CAPITAL HAS been leaving the United Arab Emirates at a rapid rate this year, thanks to the strength of the U.S. dollar and high dollar interest rates, according to the UAE central bank's review of the first six months to June 30.

The central bank's figures show that the net outflow for January to June was $2.5bn, bringing the figure of net foreign assets of UAE commercial banks to around $5.5bn.

The report attributes this increase to the strong dollar and to the dollar's high interest rates during the period. Total foreign assets of the commercial banks rose to around $10.6bn from $9.5bn. This represented 47 per cent of their total assets, up from 44 per cent at the end of 1983.

Foreign liabilities, on the other hand, declined from $6.7bn at end-1983 to $5.3bn, a drop of 8 per cent over the six-month period. Bankers report an increased trend in investment abroad by the private sector.

The UAE's hitherto profitable property sector has shown a steep decline, as shown by rent reductions of up to 60 per cent in some cases. In the past, property has been a major outlet for local investment. The bank's report also notes stagnation in the construction sector, which implies a further decrease in opportunities to invest at home.

The central bank recently introduced a series of measures aimed at increasing domestic liquidity and stemming the outflow of capital. They included the curtailing of a facility for swapping dirhams for dollars, and the discontinuance of interest payments on reserves placed with the central bank against funds held abroad.

APPOINTMENTS

New directors at CEGB

THE CENTRAL ELECTRICITY GENERATING BOARD has appointed Mr Sam Goddard — as director of systems planning; Mr Frank Jenkin — as director of strategic studies; and Mr John Uttley — as director of finance. Mr Goddard and Mr Jenkin were appointed following the appointment of Mr Derek Davies, previously director of corporate strategy, as a full-time member of the board. Mr Uttley's appointment as director of finance follows the departure of Mr James Smith.

*

Mr J. D. (Jack) Ferguson has been appointed to the board of NEWS GROUP NEWSPAPERS as operations director. He was director of production and engineering at Mirror Group Newspapers.

*

BRENGREEN (HOLDINGS) has appointed Mr J. R. Broadley as managing director of its subsidiary company, Exclusive Health Care Services, from November 20. He was previously managing director of Crothall and Co, part of Pritchard Services Group.

*

Mr Richard Dunning, group financial controller of SILENTNIGHT HOLDINGS, has been appointed financial director.

*

Mr W. J. Dickson was appointed a director of BRITISH-AMERICAN TOBACCO COMPANY. He was managing director of B.A.T. (U.K. and Export).

*

Mr Hans Leukers, senior vice president and general manager, Westdeutsche Landesbank, has been elected deputy chairman of the ASSOCIATION OF INTERNATIONAL SAVINGS BANKS in London. Mr Malcolm Winston, senior assistant general manager of Central Trustee Savings Bank was re-elected chairman of the Association.

*

BRADBURY WILKINSON has appointed Mr Daniel A. Stewart and Sir David Scott, as non-executive directors. Mr Stewart was a general manager of the Standard Chartered Bank. Sir David is a director of Barclay's Bank International and Mitchell Cotts, and is chairman of The Royal Overseas League.

*

Dr Ivan F. Klimes, associate publisher at Pergamon Press, has been appointed deputy chairman at PERGAMON-INFOLINE. He is on the main board of Pergamon Press.

*

Mr Ken J. Lindsell has been appointed a director of CRAMPHORN. He was previously divisional director (horticulture).

*

Mr J. L. Hewitt, group board director for the menswear division, becomes group strategy director of VANTONA VIYELLA from January 1. Mr W. McEwan joins the group on November 19, as a group board director and will take over the responsibility for the menswear division from January 1. Mr McEwan was a director of Dawson International where he was managing director of Ballantyne Sportswear from 1972 to 1974 and of Pringle of Scotland from 1974 to 1983. Mr Hewitt will remain on the board of the menswear division businesses.

*

MITEL TELECOM has appointed Mr David Rayfield as vice-president, engineering. He joins from Plessey Office Systems.

*

Mr Alexander Korda of Korda & Co. has been appointed to the board of FAME COMPUTERS as a non-executive director with special responsibility for corporate strategy.

*

UNITED MOLASSES COMPANY, a member of the Tate & Lyle Group, has appointed Mr S. Rex Kingsley as a divisional director from January.

*

Mr Eric Colwell has been appointed a non-executive director of SKETCHLEY. He is a director of Allied-Lyons.

*

HAMPTON GOLD MINING AREAS haa appointed Mr W. N. Scott as a non-executive director. He is regional co-ordinator Western Hemisphere and a director of Shell International Petroleum.

*

Mr. E. Nolan, Copes-Vulcan has succeeded Mr F. E. S. Hayes, Gresswell Valves, as chairman of THE BRITISH VALVE MANUFACTURERS' ASSOCIATION. Mr A. B. Wheeler, Pegler-Hattersley, has been elected vice-chairman.

*

Mr Mike Twigg has been appointed as a director (managing director designate) of ESPRIT. He was with Hewlett-Packard.

*

The recently acquired businesses of The Chapel River Press, Andover, are now being run by subsidiaries of McCORQUODALE BOOKS AND PUBLICATIONS. The subsidiaries are: McCorquodale Magazines, Andover Repro, Magazine Typesetters. Mr John Holloran has been appointed chairman and Mr Keith Clarke becomes managing director of all three companies, while Mr Geoff Dunks and Mr Geoff Carwood join the boards. Mr Henry Lee, Mr Les Hide and Mr Peter Brown join the board of McCorquodale Magazines; and Mr George Russell joins the boards of the other two companies.

Mr Clarke remains a director of McCorquodale Varnicoat, of which Mr Richard Beese has been appointed managing director. Mr Beese has also been appointed managing director of Avita Gravure.

UK COMPANY NEWS

CU losses accelerate to over £30m

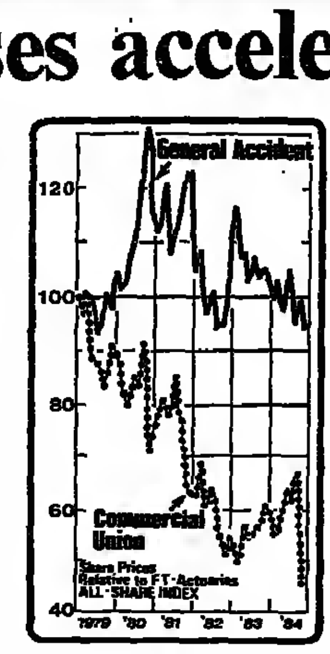
LOSSES OF the problem-riddeo Commercial Union Assurance, one of Britain's major composites, accelerated sharply in the third quarter as the group continued to grapple with soft insurance markets worldwida and growing sterling weakness over the period.

Pre-tax losses of £16.1m in the third quarter brought hie total for hte nioe months to £30.6m, compared with a profit of £43.8m for the corresponding period last year.

A near *£10m* tax and mtoority charge for the nine month period was offset by £39m of realised investment gains brought into the account, so that shareholders' *loss* for the nine month period was restricted to £1.3m (profit £47.8m).

Mr Cecil Harris, the chief executive, warned that there was no *expectation* of any improvement in results for the final quarter since there was an inherent delay in the rate increases and corrective action being taken. He refused to comment on tha prospects of a maintained final dividend for 1984.

Total non-life premium income rose 10 per cent in sterling terms from £1.45bn to £1.6bn over the nine months, though there was an underlying decline of 1 per cent, because of a drop in premiums in the U.S. and Canada.



However, underwriting losses of *£109.4m* in the third quarter brought the nine months' total to £282.5m, compared with £173.1m last year.

A 4 per cent rise in investment income from £187.9m to £196.3 (but an underlying decline of 8 per cent after exchange rate ductuations), and a 18 per cent growth in life profits from £39.6m to £46.7m, fatled to offset the underwriting deterioration.

The maio problem is still the U.S., where underwriting losses of £79.5m in the third quarter brought the total to £185.4m (£105.9m) and a pre-tax loss for the nine months of £77.4m.

Mr Tony Brend, chief executive officer of the U.S. subsidiary, pointed out that the American operations had changed fundamentally over the past 18 months.

The effects are already being felt in premium volume which declined *12.8* per cent *to* US$123.3m in the third quarter, bringing a 12 per cent reduction to $403.1m in the nine months. This decline can be expected to accelerate as the *full effect is* felt of the decision to pull out of the large commercial business.

But the benefits of reorganisation have not come through to the results in the U.S., especially in the commercial lioes. And the results were worsened by a $21m *strengthening of reserves*, with a further strengthening being made in the fourth quarter.

The operating ratio for the third quarter was 126.7 per cent leading to a 121.2 per cent ratio for the nine months. The bright spot is a drop in the expense ratio as the rationalisation begins to bite.

CU also has problems in Canada, where last year's recovery proved to be very short lived. Last year's $2.3m underwriting profit at the nine months has *turned into* a $18.8m loss for the first nine months of 1984.

Operations in the UK *may* not look as bad as the North American operatioos, but the results are still very poor. Underwriting losses almost doubled in the third quarter—normally the best quarter of the year—from £11m to £20.8m, bringing total *losses for the nine month period* to £70.5m (£28.4m).

CU is still expanding its business in the UK, but is experiencing heavy losses in personal business and even heavier losses on its commercial business.

Commercial property has been hit by the increasing number of fires in the UK—the major fire at Cricklewood costing £1.5m—but the underlying cause for bolb personal and commercial insurance business is rate inadequacy in a highly competitive market.

See Lex

Johnson Matthey down at half year

PRE-TAX profits of Johnson Matthey fell from £15.2m to £9.4m in the first six months to September 30, 1984.

However, the comparative figures included a £6.5m contribution from Johnson Matthey Bankers (since sold) and a £4.4m loss by the U.S. finished jewellery business (since closed).

The interim dividend is being omitted—last time 3p net was paid.

The banking arm was sold last month and its results are not included in the group's figures for the opening half.

The results were prepared on a going concero basis which assumes the continuing support of the group's bankers. It *is* also pointed out that the interim statement has not been reported in accordance with the City Code on Takeovers and Mergers.

The directors say they considered the interim accounts with special care. After thorough examination, they made a *series* of additional provisions, both against profit before taxation and in extraordinary items, for refining coats, closure costs, *inventories*, doubtful debts, fees, litigation and other contingent liabilities.

The results of the platinum marketing division improved, principally as a result of slightly increased commissions on platinum sales and exchange rate movements.

The profit of the chemicals and refining division was lower, principally because of the need to make provisions against financing costs caused by a *temporary* high volume of materials to be refined and problems in achieving projected delivery schedules.

Provisions made against inventories in Canada *and* the U.S. depressed the result of the mechanical production division.

The three largest subsidiaries of the colours division iocreased their *profits*. The *printing* division benefited significantly from the closure of three loss-making operations.

The group contines to place emphasis on research and development, including pollution control devices, fuel cell catalysts, pharmaceutical intermediates, pigments and electronic materials.

The directors do not consider it appropriate to predict the *likely* trading outcome for the full year.

They say it is clear that the group's second half and full year figures will reflect considerably *higher interest costs as well as* substantial professional fees and point out that they are conducting a number of reviews of the group's business and "cannot guarantee that further material provisions will not be required."

Below the line there were extraordinary charges of £166.1m. Of this £152m related to the disposal of Johnson Matthey Bankers, £1.3m expenses related to the disposal and refinancing, and £10.8m for the closure of the U.S. finished jewellery operations. A further £2m went on the closure of overseas subsidiaries.

Turoover of the *group, excluding* that *of* JMB and the discontinued U.S. operations totalled £727.8m (£606.3m).

See Lex

Tesco's margins improve: first-half profit up £5m

THE ONGOING productivity programme at Tesco has led to a further improvement in net margin from 2.2 per cent to 2.29 per cent. In the 24 weeks ended August 11 1984 the group produced a pre-tax profit up £5.3m to £30.3m, from sales of £1.4bn, against £1.2bn including VAT.

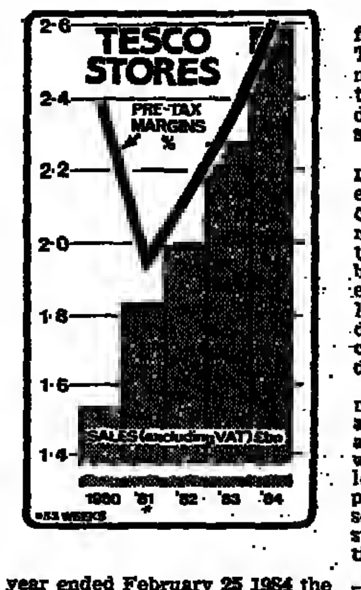
The directors consider the turnover of this food, clothing and homeware retailing group to be "very satisfactory" with an estimated volume gain of some 8 per cent, generated from new and existing stores. Reorganisation of central distribution is continuing but the benefit will not be realised for some time.

To date, eight new stores, together with two extensions, have been opened. With two further stores to open during the financial year the new selling *area will have been increased by* 360,000 sq ft. Also this year 25 smaller units have been closed, representing 250,000 sq ft. The 1985-86 store opening programme is also substantial.

Profit for the 24 weeks was struck after net interest payable £900,000 (£1m) and depreciation £17.8m (£15.6m). Tax takes £12m (£9m) to leava tha net profit at £18.3m (£18m) for earnings of 5.42p (4.76p)—including £3.4m (£3m) net surplus on sale of properties the earnings are 6.42p (5.64p).

The interim dividend is lifted from 1.5p to 1.75p net. In the year ended February 25 1984 the company made net *taxed* profits of £42.7m and paid a final dividend of 2.6p.

In the period the effective rate of tax has increased. The *Finance* Act 1984 had an adverse effect in that the cost of reduced rates of capital allowance and the abolition of stock relief exceed the benefit of a lower rate of corporation tax. The 1983 tax provision has been adjusted from £8m.



Accompanying the interim figures is a statement from Tesco restating its store development policy. It believes this is timely in the light of the current *debate on future* locations for superstores and related issues.

Tesco wants to provide modern shopping for everyone end believes that superstores create more *jobs* in retailing and manufacturing. In the same way that it does not discriminate between high street, in-town, edge-of-town, or out-of-town *locations, it says it* does not discriminate either against inner cities and areas sometimes described as deprived.

However, suitable sites must be made available and *the company* asks the landlords (such sites are frequently on surpins railway, Gas Board, hospital and local authority land) and the planners to help it continue to serve the community by understanding its development objectives.

Tesco seeks to build single-storey stores with all facilities at ground floor *level*, plenty of parking area, space for petrol filling stations and, where appropriate, garden centres. Stores should be *of* some 40,000 *sq ft selling space but the company* also seeks smaller stores for the sale of convenience goods only, down to about 20,000 sq ft. The core of its business will continue to be in the traditional market *place—the* high street.

See Lex

GA moves back into the black

A THIRD quarter pre-tax profit of *£7.2m*, *against* £8.5m *in* the third quarter last year, enabled General Accident Fire and Life Assurance Corporation, to move into the black for the first nine *mooths* of the *year*, with a pre-tax profit of £5.5m — against £44.3m last year.

At the six months stage, the group had an adjusted loss of £1.7m.

A small tax refund of £800,000 against last year's £3.1m charge ond higher minority interests resulted in net profits of £5.1m against *£40.3m* with an earnings per share of 3p against 24p.

Net premiums written over the nine month period rose by 14.2 per cent from £1.04bn to £1.19bn with an underlying growth, allowing for exchange rate fluctuations of 5.9 per cent.

Underwriting losses remained high in the third quarter amounting to *£58m* in a *period free* from any major natural disaster. This brought total underwriting losses for the nine months to £183m compared with £113.3m *for the correspooding* period last year.

A 19.1 per cent rise in investment income, from £155.8m to £185.3m—the underlying growth *rate being 7.8 per cent* — just covered the underwriting losses for the nine months, and a higher life profit of £4.4m against £3.2m gave a further boost.

The U.S. remaina tha major problem territory, where underwriting losses of £30.2m in the third quarter brought total losses for the nine months to £97.1m—dnubled last year's losses of £48.2m.

Commercial lines in the U.S. remain *extremely adverse*, while private automobile business has *deteriorated. The Homeowners'* account benefited from the absence of any *major* hurricanes.

The disappointing result in the third quarter was in the UK where underwriting losses were £14.8m against £12.8m last year, leading to losses of *£47.1m* for the nine months against *£42.5m* last year.

Premium income on the *major* motor account, GA being one of the leading motor insurers in the UK, fell 10 per cent and the £2m third quarter underwriting *loss* swallowed up the *first half* profit. Commercial lines were hit by high fire claims and adverse trading.

In Canada a third quarter loss *of £9.3m against £3.3m last year* reflected the deteriorating conditions in that country and brought total losses for the nine months to £13.6m against £11.2m.

Overall losses in EEC territories were cut from £3.4m to £1.4m with improvements in France and Ireland and deterioration in Belgium and the Netherlands.

The removal of Life Assurance Premium Relief sent new annual premium in the third quarter on UK life and pensions business down from *£8.2m last year* to £5.5m and largely accounted for the nine months decline from £24.9m to £21.9m.

Strong sales of Guaranteed Income Bonda resulted in single premium sales doubling from £19.5m to £38.8m.

● comment

The market was looking for poor U.S. results from General Accident and it got them. Nevertheless, *it* expected better third quarter figures overall to offset *the wea kinterim*, based on the good second quarter UK results being repeated in the third quarter. Instead, GA's UK commercial operations have been hit by the massiva rise in fire losses which have hit the whole sector, while its motor account, going strong at the half-way stage, was upset by a 25 per cent upsurge in accident claims in July and August. The group is further increasing its U.S. commercial *rates on top of the rises* made at the beginning of the year and is getting some 6 to 8 per cent increases approved on its personal auto rates. It claims to be *taking drastic action on its UK* commercial portfolio, by higher rates and cutting out high risk contracts. But none of this will show up in the final quarter should reach pre-tax profits of £20m—one-third those of last year. The share price perversely *rose 8p on the day* to 493, having been 498p at one time, yielding 5.5 per cent on last year's 19p dividend rate.

G.R. (Holdings)

Little change was shown in pre-tax profits of £1.71m against £1.72m by G.R. (Holdings) for the year to the end of June 1984. *The final dividend* has been *held* at 5.4p which maintains the total at 7p.

Earnings per 25p share are shown as slipping from 27.9p to 24.2p.

Turnover of this group which is mainly engaged in processing and merchanting sheepskins and furs rose from £22.49m to £24.79m.

Demand rise lifts Wade above £1m

IN A YEAR of conaiderable progress, Wade Potteries has boosted taxabla profits by 53 per cent from £0.73m to £.12m, the first time the group has topped £1m since 1980.

Mr Anthony J. Wade, the chairman of this manufacturer of ceramic products, says that demand has continued to strengthen in the year to end-July 1984. Turnover, at £13.42m against £11.36m, rose by 18 per cent, with direct exports to dollar markets up by over 70 per cent and exports to Europe more than doubled.

The chairman comments that investment in design and mar*keting* played a *significant* role in keeping the factories fully employed during the year, and the current year has started well. Every effort will be made to reinforce success and the group's product base is being continually widened. Provided the national situation *remains* "reasonably stable" the year ahead should be one of further progress.

The directors are to recommand a final dividend of 1.9p net per share (1.65p) *for* a total 0.3p higher at 2.5p, covered 3.5 times by earnings per share at 8.76p (4.33p). The payment will account for a total of *£255,526* (£224.864).

Mr Wade adds that part of the European increase was due to the formation of a new marketing company which has made a good start and will contributa to current year profits.

Restructure helps Geers Gross

THE DIRECTORS of Geers Gross, advertising agent and consultant, say the group is now seeing the benefits and advantages of the New York reorganisation coming through.

They tell shareholders that this emphasises the importance of their original decision to establish a presence for the group in the U.S. through a planned series of acquisitions.

In today's terms these were at "very favourable" exchange rates to which has been added the "considerable effect of renewed strength in the U.S. economy."

It is pointed out that Geers Gross Inc is now positioned in New York as an agency of sufficient capacity to service the big league advertisers in the £75bn market.

Group pre-tax profits for the opening six months to June 30 1984 improved from £536,000 to £783,000 and the directors say they are confident that this year should see a return to the £1.81m pre-tax level established in 1982—profits fell to £1.25m last year.

The figures for the first half were achieved on a turnover of £49.53m, compared with £46.73m.

Earnings emerged at 2.89p (2.35p) after a higher tax charge of £399,000 (£324,000) and the interim dividend is being held at 2p net per 10p share.

● comment

Year-on-year, these first half results from Geers Gross show good, solid progress, especially in margins. Taken in the context of last year's second half dive following the loss of the Purolator account, they are impressive indeed, and fully justify the near 60 per cent rise in the share price to 145p over the past three months. What the company has been able to do is more than replace lost billings in the U.S. and also build on its UK business. Perhaps more importantly, the company has attracted some notable advertising heavyweights who will be invaluable in helping to capture new business, especially in booming America from where more than 60 per cent of group turnover now stems. Geers Gross against that there are no more U.S. rationalisation expenses to come through, which means that growth from now on will reflect trading directly. On the basis of an out-turn of £1.8m this year before tax at 45 per cent, the prospective multiple of over 19 looks about right for the short term in this premium sector. This rating does not give much credit for any further growth.

Allied Irish down I£8m midway as bad debts bite

THE RECESSION in the Irish Republic has resulted in the continuation of a high level of bad debts at Allied Irish Banks. Charged against profit these have resulted in a decline from I£43.4m to I£35.8m (£29.5m), at the operating level in the half year to September 30 1984, and the directors do not foresee any improvement in the situation in the second half.

At the pre-tax level the figures benefited from higher contributions from the non-consolidated subsidiary at £1m against £0.1m and associated companies at £3.9m against a £0.1m loss, but producing taxable figures still behind at £40.5m, down from £43.4m. The directors say that the results are in line with expectations.

The interim dividend is held at 4.5p net per share. Last year, when taxable profits were 24 per cent higher at £53.4m, dividends totalled 8.5p.

● comment

The I£17.4m claims provision is a salutary legacy of the perhaps headstrong fashion in which AIB raced to gain control of the Insurance Corporation of Ireland last year, but should represent the full extent of the damage. An unsurprisingly poor performance from general insurance lay behind an I£1.3m loss from ICI, which is expected—after deep surgery—to be in the black by 1986. An I£3.7m contribution from First Maryland and a decline in domestic banking profits lifted the non-Republic share of the total by six points to 43 per cent. Bad debts were unchanged at around £15m, within which the merchant bank's provisions declined, pointing to a worse experience for the parent bank. Yet the pattern is changing, so that major corporate bad debts are becoming less frequent. AI Finance, meanwhile, managed an I£2m rise in profits to I£9.7m, chiefly thanks to strong credit demand in the UK. The shares slipped 3p to 125p, where the yield is almost 11 per cent. The p/e is just over 3, assuming an unchanged full-year result after a 25 per cent tax charge. However, it is still not certain that the government levy, which added I£10.4m to the tax charge last year, has been finally abandoned.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Allied Irish Bank ... int.	4.5	Dec 18	4.5	—	8.5
External Invest Tst. int.	5.5	Jan 7	5	—§	10.75
Fitzwilton	1	Dec 31	1	2	2
GR (Holdings)	5.4	Jan 17	5.4	7	7
Geers Gross .... int.	2	Jan 10	2	—	4
Graig Shipping .... int.	5	Dec 14	2.5	—	10
Johnson Matthey ...int.	Nil	—	3	—	10
LCP Holdings .... int.	1.8	Jan 4	1.8	—	4.8
Robert Moss .... int.	0.9†	Jan 14	0.8	—	2.5
Sisters Food‡ .... int.	0.9	Jan 10	0.9	—	2.2
Smiths Inds	9.25	Jan 2	7.5	14	11.6
Tesco	1.75	Feb 23	1.5	—	4.1
Wade Potteries	1.9	Jan 8	1.65	2.5	2.2

Dividends shown pence per share except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. ¶ Total of at least 11.5p net forecast. || Irish currency throughout.

Public Works Loan Board rates

Effective November 14

Years	Quota loans repaid by EIP†	Quota loans repaid at maturity‡	Non-quota loans A* repaid by EIP†	Non-quota loans A* repaid at maturity‡
Up to 1	—	10	—	10½
Over 1, up to 2......	10¼	10½	10½	11
Over 2, up to 3......	10½	10½	10½	11⅛
Over 3, up to 4......	10½	10½	10½	11⅛
Over 4, up to 5......	10½	10½	10½	11⅛
Over 5, up to 6......	10½	10½	11	11⅛
Over 6, up to 7......	10½	10½	11	11⅛
Over 7, up to 8......	10½	10½	11	11⅛
Over 8, up to 9......	10½	10½	11	11⅛
Over 9, up to 10......	10½	11	11	11⅛
Over 10, up to 15......	11	11	10½	11⅛
Over 15, up to 25......	10½	10½	10½	11⅛
Over 25	10½	10½	10½	11

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). ¶ With half-yearly payments of interest only.

BIDS AND DEALS

Octopus' £21m move into marketing

BY ALEXANDER NICOLL

Mr Paul Hamlyn's **Octopus Publishing Group** yesterday unveiled plans for a substantial move into book distribution through a £21m agreed offer for **Websters Group**, which distributes about a quarter of the paperback books sold in Britain.

Mr Hamlyn, who founded Octopus in 1971 and has developed it as a publisher mainly of illustrated, non-fiction books sold through major retailers and supermarket chains, said the planned merger would boost the activities of both companies.

"Websters' core business is exceedingly good and we're very optimistic about it," he said. "We can feed Octopus books into an efficient marketing machine.

Websters' main business is *marketing books to non-traditional retail outlets* such as Woolworths, Boots, Safeway and the NAAFI. In addition to picking paperbacks from publishers' new issue lists for this purpose, Websters also acts as a more general wholesaler for a much bigger list of titles in print, and supplies paperbacks to schools and public libraries. It has 14 bookshops and publishes some newspapers and sports magazines.

Its most recent ventures have been into computer software distribution and a video training system. It is chaired by Sir Peter Lane, senior partner of accountants Binder Hamlyn.

Octopus and Webster founded a joint venture, Bounty Books in 1981 to distribute bargain hardback books, and Octopus has held a 4.9 per cent stake in Websters since then.

Octopus has now agreed to buy a further 15 per cent from Investors in Industry, and funds managed by Rothschilds, acting as financial advisers to Octopus, adds a further 8.8 per cent. Investors in Industry has agreed to accept the Octopus offer in respect of the 13.6 per cent it still holds, giving Octopus apparent control of 44.3 per cent, including 2.3 per cent pledged by Websters directors.

Mr Hamlyn tried to acquire the greeting card group W. N. Sharpe earlier this year, but failed when the £28m Octopus bid was topped by a £36m offer from Hallmark Cards. He said yesterday that he was not prepared to attempt another takeover unless he had the target board's agreement and seemed likely to prevail. "I'm not the sort of person who wants to get involved in a takeover battle," he said.

Mr Paul Hamlyn, the chairman of Octopus Publishing Group

Terms of the offer are one Octopus share plus 545p in cash for every 10 Websters shares. Octopus shares responded positively to yesterday's news with a 25p rise to 800p, putting a value of 134.5p on each Webster share. Webster's market price jumped 44p to 134p.

The bid terms, however, include an unusual feature thrashed out in negotiations between Rothschild and Barclays Merchant Bank, advising Websters.

Based on a value of 755p per Octopus share, Websters shareholders may opt to take a greater proportion of shares or cash than the amounts set out in the straight shares-plus-cash offer. They may even opt for all shares or all cash, subject to upper limits on the total amounts of Octopus new shares and cash that may be distributed.

Taken as a whole, Websters holders cannot receive more than one Octopus share or more than 686p in cash for every 10 Websters shares.

Depending on the extent to which Websters shareholders take up these options, the acquisition could use up a significant part of the £8m cash resources shown in Octopus' last balance sheet, when it had virtually no bank debt.

Mr David Robertson, managing director of Websters, will join the board of Octopus, in which Mr Hamlyn still holds over 60 per cent

Consult drops bid for Espley

By Ray Maughan

IT WILL come as no enormous surprise to investors in **Espley Trust** to learn that Mr Ronald **Shuck's** private company, **Consult International** will not now be pursuing its intended 35p per share cash bid for the Midlands property company.

Mr Shuck was formerly the chairman of Espley but was suspended from the board last month as the group began investigations relating to the acquisition of property assets in Scotland earlier this year.

The new Espley chairman, Mr Ronnie Aitken, said yesterday that "Consult's proposals were stated initially to be subject to a number of conditions which have now been considered during discussions between the board of ET and Consult.

"However, it has not been possible to agree the terms on which Consult might make a cash offer for the ordinary shares not already owned by Consult and negotiations between the two companies have been terminated."

As the Espley Trust share price remained steady yesterday at 15p, *Consult said that* "the offer made in writing contains conditions which include the requirements that no offer would be made to the loan stock holders and no material disposals would be made without agreements with Consult."

Consult stated that it has "received a communication from the advisors to the Law Debenture Trustees that in the event of a bidder acquiring more than 51 per cent of the ordinary capital, it is necessary for an equivalent offer to be made to loan stockholders.

It now appears that the prospective bidder had also learned of contracted and intended investment property disposals, without being fully advised of the details, and according to Consult, the proposed offer would thus be withdrawn.

Mr Shuck, however, added that it has been agreed that alternative offer proposals would be examined and a further announcement would be made early next week.

* * *

The offer by Peel Holdings for the capital of **Bridgewater Estates** has been accepted in respect of over 4m shares, representing 75.15 per cent of the capital. It is now unconditional and has been extended. Largs, the holding company of Peel, has accepted in respect of the 23.5 per cent shares it owned in Bridgewater.

Firth buys stake in East Lancs.

BY ALEXANDER NICOLL

East Lancashire Paper Group, defending itself against an unwelcome bid from **British Syphon Industries**, yesterday sought to back up its ambitious profit forecast as a new minority shareholder in the paper-making and merchanting group emerged.

G. M. Firth, a diversified holding company headed by Mr Ian Wasserman, disclosed that it had bought a 6.4 per cent stake in East Lancashire but gave no indication about the reasons for its purchase.

Firth's interests include steel stockholding, furnishing, flooring, transport, engineering and property development, but it also lists share dealing among its activities.

East Lancashire's shares rose 5p to 93p on the news, compared with the 85p cash alternative to the 11-for-10 increased share offer made earlier this week by BSI, the drinks dispensing group.

The higher offer, against the previous one-for-one share bid with a 60p cash alternative, was termed unacceptable by East Lancashire, which has *already* promised that a reorganisation of its paper-making production will allow the group to show a £937,000 profit in first half 1985, a dramatic improvement in 1984.

East Lancashire estimated yesterday that its fourth quarter 1984 profits will total £355,000 including £140,000 from the paper-making division which had a loss of £790,000 in the first nine months. The estimate took on acount, it said, of the planned rationalisation of its production *methods*.

T. C. Harrison backs £16.7m bid

THE BOARD of **T. C. Harrison**, the motor vehicle distributor, has agreed to back an offer, valuing the company at £16.7m, which would *turn* it into a private business owned by members and associates of the Harrison family.

The businesses would be taken over by a newly formed company, T. C. Harrison Group, which is being promoted by Mr Edward Harrison, Mr John Harrison and Mr George Read, all currently directors of T. C. Harrison. They, together with their immediate families, own 37.1 per cent of T. C. Harrison's issued shares.

The new company is offering to acquire for cash the outstanding 62.9 per cent of T. C. Harrison for 74p cash per share, an increase of 52 per cent on the company's 48.5p middle market price on Tuesday. Harrison shares rose 23p yesterday, to close at 72p.

The independent directors of Harrison, none of whom is interested in the new company, are recommending acceptance. Irrevocable undertakings have been received from holders of 51.1 per cent of the issued share capital.

The offer will be made by a scheme of arrangement. This involves calling an extraordinary general meeting at which a majority of "non-family" shareholders and 75 per cent of their votes would have to be cast in favour of the offer for it to succeed.

Ordinary shareholders would receive the interim of 0.82p. Peterborough Motors, a Harrison subsidiary, has outstanding £151,900 nominal of 8.5 per cent debenture stock 1987-92 and separate proposals will be made for its redemption.

BIDS AND DEALS IN BRIEF

The share price of **Hambro Life** rose 32p to 442p on the London stock market yesterday amid speculation that Charterhouse J. Rothschild, Mr Jacob Rothschild's international financial group, had sold its 24.8 per cent stake in the company.

Mr Mark Weinberg, chairman of Hambro Life, said last night: "I can authoritatively say the stake has not been sold."

Possible suggested purchasers of the stake had included BAT Industries, National Westminster Bank, Barclays Bank and Citibank. Mr Weinberg added: "I am absolutely sure that is incorrect."

* * *

Cattle's (Holdings) has purchased **Trafford Loan Company** for £87,000, satisfied by the issue of 154,667 ordinary shares and £52,200 cash.

Trafford Loan specialises in the provision of short-term unsecured personal loans in the Manchester area. Unaudited net assets at April 30 1984 totalled £75,689. The businesses will be integrated with Shopacheck financial services existing operations in that area.

* * *

Marling Industries has acquired 51 per cent of **Moxham Industrial (Pty)**, a manufacturer of safety harnesses, for £172,000. Moxham had sales of nearly £1m and a pre-tax profit of £58,000 in the year to June 30 1984.

* * *

Ronald McNeill and Co sold a total of 255,000 ordinary of **Downiebrae Holdings**. This reduces the total holding to 490,000 ordinary (6.88 per cent).

* * *

The Herald and Weekly Times has received acceptances totalling 4.4m shares in respect of its offer for **Gordon & Gotch (Holdings)**, representing 96.3 per cent of the capital. The offer has been declared unconditional and extended: it was made through the subsidiary Falconwood.

* * *

CH Industrials and **Petrofina (UK)** have formed **Buckingham Coatings**, to be owned 50/50 by their respective wholly-owned subsidiaries Cementone-Beaver and Sigma Coatings.

Buckingham will manufacture a range of coatings and paints for the marketing division of both partners in a new 53,000 sq ft factory under construction at Tingewick Road, Buckingham. Production is expected to commence by early 1986.

New terms for Hoskins are rebuffed

Scottish Heritable Trust yesterday raised its bid for **Hoskins and Horton**—including a full cash alternative for the first time—but met a quick rebuff from Hoskins. Both are brewing companies with, among other interests, quarries in the West Midlands.

The trust company is still offering three of its shares for each Hoskins share, but boosted the cash element of the offer from 65p to 105p. Alternatively, Hoskins shareholders are being offered 255p in cash for each share.

The share-plus-cash offer, which is final, values Hoskins shares at 270p based on SHT's unchanged closing price yesterday of 55p. Hoskins shares fell 2p yesterday to 265p.

Scottish Heritable, which already holds 28.8 per cent of Hoskins, is promising a 19 per cent dividend increase.

Hoskins, rejecting the higher offer said the cash alternative is "significantly" below the price at which its shares have recently been trading.

Pullman auditors disciplined

Morley and Scott, the auditors to R. and J. Pullman, the clothing manufacturer and retailer which went into receivership in December 1982, have been admonished by the accountancy profession's joint disciplinary scheme and ordered to pay £2,000 costs.

The scheme's inquiry committee has preferred a complaint to the Association of Certified Accountants against Mr Peter Sowter, the ex-senior partner of Morley and Scott, who became the financial director of Pullman.

The accounts of the company for the year to April 1982 had been heavily qualified by the auditors who were unable to satisfy themselves that costs capitalised in the balance sheet were properly quantified or whether *the* accounting treatment was appropriate.

Fitzwilton ahead

Fitzwilton, the Dublin-based investment group, has increased its pre-tax profits from I£560,667 to I£1.46m (£1.21m) for the year ended June 30 1984.

On turnover ahead at £6.58m (£5.62m) the group's trading profit fell from £261,115 to £62,126, but was boosted by a higher contribution from associates at £1.58m (£484,082).

Net earnings per 25p share rose from 2.01p to 5.32p, and the final dividend is a same again 1p, for an unchanged 2p total.

Interest took £182,732 (£184,530) and the tax charge was doubled at £245,337 (£123,458).

Smiths Industries £9m ahead and confident

WITH THE second half showing the expected improvement over the corresponding figures of the previous year Smiths Industries saw its profits for the 53 weeks to August 8 1984 advance by some £9m.

The group's balance-sheet remains strong and the directors' forecasts indicate that a further worthwhile advance in profits should be achieved in 1984-85.

Pre-tax profits for the year under review rose from £26.84m to £36.16m. Turnover was little changed at £388.66m (£380.7m) but the businesses which are continuing into 1985 increased their sales contribution by 19 per cent.

Second half profits rose from last time's £17.31m to £21.53m.

Earnings for the year came through 7.2p higher at 40.6p per share and a final dividend of 9.25p (7.5p) lifts the net total from 11.5p to 14p.

A resolution will be proposed at the AGM to convert the present 50p shares into two units of 25p each and to issue by way of capitalisation of reserves one new share for each 25p share then held. A related increase in the authorised share capital will also be proposed.

During the year all group divisions showed improvements. A breakdown of turnover and trading profits (£39.22m, against £31.41m) shows:

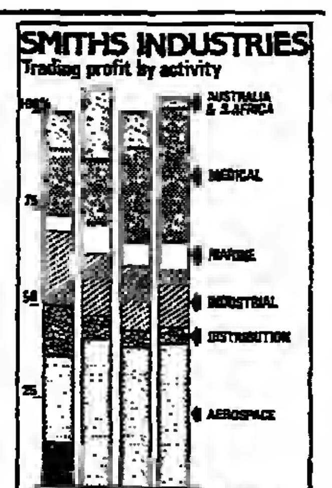
Aerospace £112.6m (£97.2m) and £12.87m (£12.64m), marine £34m (£30.2m) and £3.14m (£2.26m), medical £59.3m (£42.75m) and £12.09m (£10.73m), industrial £82.45m (£67.9m) and £7.64m (£5.04m) and Australia/South Africa £54.5m (£50.2m) and £3.09m (£0.73m). Discontinued businesses contributed £45.8m (£92.45m) to turnover and £404,000 (£8,000) to profits.

UK turnover amounted to £235.8m (£256.1m) and that of the overseas companies £160.6m (£130.4m). Trading profits were £23.06m (£21.2m) and £16.17m (£10.21m) respectively.

The directors say that profits from the aerospace companies were maintained at satisfactory levels and their order books remained firm. The medical systems group had a further year of turnover and profits growth despite more difficult trading conditions in the U.S. Including direct exports from the UK, over 80 per cent of this group's turnover is overseas.

Improved results were achieved by the marine activities both in the UK and the U.S. Most of the companies in the industrial group contributed to the increase in profits and ended the year with order books generally higher than they have been for some time.

Mr Roger Hurn, chief executive and managing director of Smiths Industries



By the year-end the South African subsidiary had returned to modest profitability but was then severely affected by the deterioration in that country's economy. The Australian subsidiary continued the recovery evident in the latter part of 1982-83.

Tax for 1983-84 rose from £9.37m to £14.7m. Attributable profits totalled £21.26m compared with £17.36m. Extra-ordinary items took £2.5m (£9m).

During the year the number of group employees was reduced from 13,200 to 11,200.

● comment

The orientation of Smiths Industries is all but complete and, to judge from yesterday's results, has left the group far sounder and better balanced. Ironically, it was the old-style cyclical operations which made most of the running last year but few shareholders would willingly exchange Smiths' aerospace or medical earnings for the former automotive profits—even in the wake of this week's Lucas figures. Aerospace could this year show real progress, on the back of a pick up in the civil aircraft market, while in the medical division the UK may compensate for any flatness in the U.S. hospital market. There must be doubts about the sustainability of 20 per cent margins in medical but, with almost the whole group now generating cash, Smiths has the scope to create earnings growth through acquisition—as it seems to have done with Downs Surgical. At last night's price of 665p, up 17p, the shares trade on about 14 times this year's earnings, assuming profits of £41m taxed at 40 per cent. That is not cheap, but nor should it be.

Compsoft on target and expects to pay a final

IN ITS first report since being admitted to the Unlisted Securities Market in July 1984, Compsoft Holdings has announced pre-tax profits of £341,000 for the half year to September 30 1984. For the corresponding period this date management systems company made taxable profits of £268,000.

The results, Mr Nick Horgan, chairman, says, have gone according to plan, and the directors intend to propose a final dividend when the full year's results are announced. There is no interim.

Stated net earnings per 5p share were higher at 2.74p (2.14p).

Turnover rose from £608,000 to £950,000, a 56 per cent increase. The majority of sales in the first half were in the UK, with the Delta range of software making the main contribution.

This period also bore the costs of new product development and European marketing. This is the reason given as to why the profit increase did not keep pace with the increase in sales. In the second half the company expects to achieve an increasing level of sales in Europe.

America lifts LCP to £3.8m

WITH THE U.S. operation contributing over one half of the trading profit, the LCP Holdings industrial group has pushed up its pre-tax profit by £468,000 to £3.82m for the six months ended September 30 1984.

Mr David Rheed, chairman, says the quality of group earnings has improved measurably. Although there are a number of uncertainties "we anticipate a satisfactory outcome for the year as a whole." The pre-tax profit for 1983-84 was £6.13m.

Turnover moved ahead from £149.13m to £155.91m and trading profit from £6.19m to £7.51m in the period, subject to losses on discontinued operations £396,000 (£50,000) and interest payable £3.3m (£2.79m).

In America, Whitlock, which retails automotive parts and supplies, is enjoying the benefits of the major expansion programme launched two years ago, says Mr Rheed. Substantially all the Cal Auto stores on the West Coast have been sold for some $2.25m (£1.78m) in order to concentrate on the Mid-West and the East Coast. "With the cycle of maturing superstores we anticipate a strong advance in profitability from our U.S. operations in the years ahead," the chairman tells members.

Conditions in France continue to be difficult and LCP is withdrawing from the loss-making operation in the distribution of garden equipment. As in the case of Cal Auto there will be some loss incurred on disposal. Trading profit in France for the half-year was £119,000 (£129,000).

On the UK activities, Mr Rheed says progress has continued in trading estates through rent reviews and an increase in warehousing activity, and trading profit came to £1.68m (£1.52m). Construction operations suffered in the face of intense local competition and the profit was £16,000 (£10,000).

The distribution side produced a profit of £643,000 (£367,000), with particular progress in building supplies and stainless steel operations. Solid fuel trading has not been unduly affected but it will be difficult to meet demand in the winter should the miners' strike continue.

Progress has been maintained in vehicle distribution and automotive parts, although market conditions have been less buoyant; Finance Lease continues to grow steadily. Profit for the division was £1.47m (£1.45m).

Earnings for the half-year are shown at 5.5p (5.3p). After tax £1.75m (£1.61m) the net profit is £2.07m (£1.75m) or 3.2p (2.7p) per share. The interim dividend is again 1.8p absorbing £1.17m; the 1983-84 final was 2.2p.

● comment

LCP's trading performance is increasingly dominated by the rapid expansion of its U.S. specialist car care products retail chain, Whitlock. Even allowing for the appreciation of the dollar there is an underlying increase of at least £600,000 from the U.S. company despite carrying Cal Auto—an unsuccessful attempt to transfer Whitlock's formula to a store chain purchased on the West Coast. Twelve stores will be opened this year—the same as last—lifting the total to 62 and doubling the floor space to over 500,000 sq ft during the last two years. An opening programme on this scale inevitably holds back profits—it takes three years to bring a store to a satisfactory margin—while running up borrowings. Net debt is equal to 80 per cent of shareholders' funds. But, of course, as more of its outlets reach maturity U.S. earnings should start compounding at an impressive rate. Whitlock could make trading profits of £6¼m this year lifting the group total towards £7½m pre-tax. Not surprisingly there is a reluctance to float the U.S. business with a separate quote yet. The same cannot be said of the UK motor distributor. The p/e of 14½ at 92p is not quite in tune with the LCP of tomorrow.

Assets growth at Stewart Nairn

Stewart Nairn Group, the international property trader, plunged £788,000 into the red at the pre-tax level for the year to end-June 1984. This compares with profits of £1.07m for the previous 15 months.

However, during the year the group raised its net assets from £6.3m to £11.1m, representing a four-fold increase since the present management team took over some two-and-a-half years ago.

The year had been one dedicated to boosting assets and Mr J. R. Crickmay, the chairman, anticipates the growth pattern will continue during 1984-85.

He says the achievement of the very strong balance sheet position, which includes £5.3m in cash, has led to a weaker short-term profits performance.

The loss arose from the sale last June of a freehold property in Sackville Street, London. A substantial proportion of the consideration paid for this property was by share issue rather than cash borrowings.

Mr Crickmay says this was sold for £11.2m, a book loss for the group, to raise the significant cash resources invested in the property so that they can be re-deployed.

Shareholders are told that the transaction resulted in a strong balance sheet which has given the group a good basis for future activities.

At year-end net asset value per 5p share amounted to 13.69p (9.19p) basic and to 11.43p (7.72p) fully diluted.

Turnover reached £11.28m (£3.87m for 15 months). The chairman says the group is continuing to acquire retail development sites in Dallas. It acquired a 17.52 acre site in July of this year for $4.4m and has had it independently appraised at $6.1m.

In New York Stewart Nairn has entered into an agreement to jointly develop a condominium project in Manhattan which will have a completed value of some $32m.

The group also reveals that terms have been agreed for the purchase of Pensbury Holdings, a UK property developer. The company's net assets, based on professional valuations, together with the profit potential relating to development projects under construction, are estimated to be in excess of £1.4m.

Stewart Nairn will be paying £500,000 for Pensbury of which £500,000 will be cash with the balance being satisfied by the issue of 1.8m new ordinary shares of 5p each.

Colombian transactions help Jackson Exploration

REFLECTING Colombian transactions, but not the sale of interests in Indonesia, net profits at Jackson Exploration showed an improvement from $218,000 (£173,000) to $720,000 (£570,000) for the third quarter to the end of September 1984. For the nine months results showed a turnround from losses of $13.39m to profits of $831,000.

Arrangements in Colombia and Indonesia, for the further exploration of overseas concessions hold a significant interest for partners means the company will have significant interests in eight or more exploration wells in 1985, which gives a good opportunity to make a "significant discovery" during the next year, the directors say.

Trading in the U.S. remains restricted owing to continued

In Colombia subsidiaries of Exxon Corporation and British Petroleum Company have bought options to acquire up to 50 per cent of the working interest in the Capanaparo Sur block. BP will also buy a 20 per cent working interest in both the Rio Lipa and Capanaparo blocks.

In Indonesia subsidiaries of ICI and BP will acquire a 25 per cent interest in the company's production sharing contract area in East Kalimantan.

COMPANY NEWS IN BRIEF

Yearling bonds totalling £17.38m at 10 per cent, redeemable on November 20 1985, have been issued by the following local authorities.

Cherwell District Council £0.5m; Pendle (Borough of) £0.25m; Gateshead (Borough Council of) £0.625m; Mole Valley DC £0.25m; South Oxfordshire DC £0.25m; Birmingham (City of) DC £3m; Dundee (City of) £1m; Lambeth (London Borough of) £1m; Camden (London Borough of) £1m; Ealing (London Borough of) £1m; Dudley Metropolitan Borough Council £0.5m; Islington (London Borough of) £1.5m; Lewisham (London Borough of) £2.5m; Durham (City of) £0.25m; Greenwich (London Borough of) £1m; Sheffield (City of) £2.75m; Wigan (Metropolitan Borough of) £1m.

* * *

For the six months to end-September 1984, Graig Shipping has returned substantially increased pre-tax profits of £625,852 compared with £110,676.

On turnover ahead at £3.2m (£2m) this Cardiff-based company, with interests in oil and gas exploration and investment securities as well as its world-wide bulk cargo business, made a trading profit of £311,531 against a loss of £111,741.

The directors are lifting the interim dividend to 5p (2.5p). Stated net earnings per £1 share for the half year were 17.24p against 5.53p.

* * *

Mainly reflecting an increase in raw material prices, taxable profits at USM-listed Slaters Food Products fell from £282,000 to £251,000 for the 24 weeks ended September 14 1984.

The directors are holding the interim dividend at 0.9p although net earnings per 10p share were shown down at 3.9p against 4.5p.

Turnover for this Manchester-based manufacturer and distributor of fresh and frozen meat products, increased from £4.6m to £6.38m, and although Mr Derek Cooper, chairman, expects that margins will still be under pressure in the second half, he believes the full results will show an improvement over last year.

Optimism as Renold earns £1.4m halfway

ACCELERATING benefits from the rationalisation programme and a modest upturn in demand have enabled Renold to move into a profit of £1.4m for the half year ended September 30 1984. And the second half is expected to show a continuation of this trend.

The half year shows a marked change from the restated £2.6m loss incurred in the comparable period of 1983. But by the end of 1983-84 that had been wiped out and the company was at break-even. The rationalisation is now complete.

In the half year turnover of the group, which manufactures and distributes products for power transmission and mechanical handling, showed little change at £58.2m (£57.6m). The trading profit came out at £3.7m (£200,000) after the previous UK loss of £1.5m was turned into a profit of £2m.

After overseas tax £600,000 (£500,000) and minorities £100,000 (nil), the net attributable profit was £700,000 (loss £3.1m) or 1.9p (7.7p) per share. The full year 1983-84 figures benefited from £1.7m non-payment of company pension contributions.

Shareholders are to receive shortly details of the proposed capital reconstruction, which will eliminate the deficit on distributable reserves and permit dividends to be resumed when appropriate.

● comment

The market's reaction to Renold's figures — the shares closed 7p lower at 48p—reflects a certain uneasiness over the fact that details of the financial reconstruction, which are to be released in a week or so, remain shrouded in deep mystery. The trading performance in the UK has plainly lived up to expectations, with the emphasis on retrenchment rather than the fairly modest recovery seen in the market. Overseas, though, the results seem to be something of a mixed bag, and group borrowings—still at least equal to shareholders' funds — are evidently proving less tractable at this stage of the recovery. For the full year, a pre-tax profits of £4m seems at least feasible, given the traditional bias to the second half. The shares, though, are looking further out again — reasonably enough, since the new improved management has had little over a year in which to show its paces. But after their recent good run, the shares are best treated with caution until the reconstruction details are made public.

Robert Moss reaches £0.9m at six months

FURTHER GROWTH was shown by Robert Moss during the first six months to September 30 1984 with group pre-tax profits for the period rising from £710,000 to £922,000, an increase of 30 per cent.

Subject to general trading conditions being maintained Mr Murray McLean, the chairman, says the group should be able to continue its progress for the remainder of the current year and beyond.

The interim dividend is being raised from 0.8p to 0.9p on the capital enlarged by last July's rights issue from a 16.1 per cent increase in earnings per share to 3.6p (3.1p).

Turnover for the period advanced from £6.1m to £7.12m—the group manufactures plastic injection mouldings. Pre-tax figures were struck after deducting interest charges of £28,000 (£101,000).

Both the Banbury and Kidlington factories are continuing to trade extremely well. The extension of the sale of the Kidlington products into various European markets is developing according to plan. The construction of the new factory for Banbury Plastics is virtually complete and production has already been moved from the old factory.

However, the decline in the crate and container market at North West Plastics and the difficulty of getting sufficient profitable replacement business has dampened results from Manchester.

The trading results of Etablissements Remy have been excluded from the interim results. The company was acquired last July and the period since acquisition has included the French holiday close-down for the whole of August.

Wardle offer is 26 times oversubscribed

The offer for sale of 7m shares at 132p per share in Wardle Storeys has been oversubscribed 26 times with applications for a total of over 184m shares received.

Hill Samuel, financial advisers to the company, say letters of acceptance will be posted to successful applicants on Monday November 19 and that dealings will commence on Tuesday, November 20.

The basis of public allocation is a ballot for 100 shares; a weighted ballot for 150 shares for those who applied for 200 to 1,000 shares; a weighted ballot for 250 shares, between 1,500 and 5,000 shares; and for 400 shares for applications between 6,000 and 10,000. Applications between 15,000 and 20,000 receive 600 shares, between 30,000 and 35,000 receive 1,000 shares; 35,000 and 45,000 receive 1,400 shares and for 50,000 shares and over, 4 per cent of shares applied for.

Anglo group boosts mining interests in South America

BY KENNETH MARSTON, MINING EDITOR

A MAJOR expansion of South American mining interests is being embarked upon by Anglo American Corporation of South Africa, De Beers and the Bermuda-registered Minerals and Resources Corporation (Minorco).

At present these Oppenheimer group companies have a 40 per cent stake in Empresas Sud-americanas Consolidadas (Empresas). This Panamanian corporation holds the South American assets of Consolidated Mining and Industries (CMI), a private group.

Arrangements have now been concluded for the Oppenheimer companies to acquire the remaining 60 per cent stake in Empresas from CMI.

Empresas will now be fully owned by a joint holding company in which Anglo American and associates will have 50 per cent, De Beers 25 per cent and Minorco 25 per cent.

The partners do not disclose the purchase consideration for the acquisition. However it may be recalled that they paid $115m for their 40 per cent of Empresas in 1981. The latter's net assets are now stated to be worth approximately $200m.

Empresas made a profit of some $27m in 1983 and earned a further $15m in the six months to June 30 last. Its major operations include the Mantos Blancos copper mine in Chile, the Codemin nickel mine in Brazil and the Arcata silver operation in Peru.

In addition, there is the Argentinian Petrosur fertiliser producer and, in Brazil the Copebras major producer of carbon black, fertilisers, industrial phosphates and gypsum which in December merged with the phosphate-producing Fosfago.

It is stated that the Oppenheimer group's Brazilian associates, Minaracao Morro Velho and Anglo American Corporation do Brasil (Ambras), will now acquire the entire share capital of Excibra which holds all the Empresas interests in Brazil;

Contrasting fortunes for Malaysian Tin producers

A FURTHER recovery in earnings at Malaysia's Ayer Hitam Tin Dredging in the second half of the year to June 30 has lifted the total for the year to M$5.19m (£1.72m), against M$3.15m in the previous 12 months.

The final dividend is raised to 80 cents (26p) to bring the year's total to 140 cents, compared with 85 cents in 1982-83. All dividends are less tax at 40 per cent.

Another Eastern tin producer, Sungei Besi Mines, has a different story to tell. Results for the half-year to September 30 show a fall in net profit to M$295,000 from M$1.09m in the same period of last year. The interim dividend is reduced to 13 cents less tax at 40 per cent, from 20 cents last time.

Tin concentrate sales fell to 286,000 kg from 320,000 kg and the price realised per kilogramme eased to M$20.40 from M$20.76.

The company says, however, that the main reason for the fall in profits was spending on development of the Balakong Road Block mining area and no improvement is expected in results for the second half.

● comment

In the annual report a year ago Ayer Hitam held out no hope of any improvement in earnings for the year just ended. As it has turned out, sales of tin concentrates have been marginally lower while the average price realised has been only slightly higher.

This does not explain the sharp increase in pre-tax profit on mining operations to M$7.59m from M$4m a year ago. Guidance on this point and on prospects for the current year will therefore be awaited in the annual report.

Meanwhile, the producing member countries of the International Tin Agreement continue to have their tin exports cut by 39.6 per cent.

The restriction policy is designed to reduce the big surplus of tin overhanging the market. No early lifting of the restrictions seems likely in view of the fact that the policy is being undermined to some extent by large-scale smuggling and increases in production at non-member countries such as Brazil.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purposes of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the subdivisions shown below are based mainly on last year's results.

TODAY

Interims: Bank of Ireland, Brown Shipley, Chamberlain and Hill, B. Elliott, Lep, N.M.C. Investments, Premier Consolidated Oilfields, G. Ruddle, Scantronic, Staveley Industries, TR Technology Investment Trust, Usher-Walker, Valor, Whittington Engineering.

Finals: M. J. Gleeson, Qwik Save Discount, LWT, Maynards.

FUTURE DATES

Interims—

Bulmer and Lumb	Nov 21
Dixon (David)	Dec 4
Fuller Smith and Turner	Dec 13
Robertson Research	Dec 4
Sarasota Technology	Nov 28
United Leasing	Dec 4
Wamford Investments	Nov 22
Final—	
Diploma	Nov 20

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In the first instance please send brief personal and career details, in confidence, to Douglas G Mizon quoting reference F784M.

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FINANCIAL DIRECTOR

YORKSHIRE AROUND £25,000

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Candidates, male or female, age middle 30s to early 40s must be qualified accountants who have had successful senior financial management experience in industry or commerce, not necessarily in food but certainly in a large multi-unit operation where close control, service and fast response are critical. Considerable DP experience is essential — determination, resilience and ambition no less so.

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Accountancy Appointments

High Technology

Financial Controller

City Area

c.£22,000+car +share option

This new and dynamic U.K. company designs, assembles and markets a splendid state-of-the-art personal workstation.

The machine has applications predominantly in the technical field and has no serious competition in the market place. Currently shipping pre-production models, sales for the next fiscal year are expected to be in the region of £4-5 million.

The organisation urgently needs a young financial executive whose functional skills will complement the technical and creative talent of the current management team. The first priority will be to establish effective financial controls in line with the planned growth of the company. Beyond this, the role will require an active commercial input to the entire decision making process.

Candidates will be qualified accountants aged 27-33. Exposure to small, rapidly growing high technology companies and experience of assembly operations would be an advantage. More important is a flexible, positive and hands-on approach to work which will match the company's management style.

Please reply in confidence giving concise career and personal details and quoting Ref. ER734/FT to M. Lawless, Executive Selection.

Arthur Young McClelland Moores & Co., Management Consultants, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NH.

Arthur Young McClelland Moores & Co.

A MEMBER OF ARTHUR YOUNG INTERNATIONAL

Financial Management ...and more

Salary £16,000 + Company Car + Generous Benefits.

In just 12 years, Prime Computer has become one of America's leading international computer manufacturers. We made our debut in the computer industry providing total integrated hardware–software solutions and have earned an enviable reputation in the industry.

Prime UK are responsible for the sales, marketing and servicing of Prime products within the UK, and now wish to enhance the financial management of the Company during a period of sustained growth, by appointing a new Manager of Accounting and Reporting whose objective will be the financial control and reporting for the entire PRIME UK Group of Companies.

We're looking for a qualified chartered accountant, mid to late twenties, with well developed inter-personal skills. Responsible for managing a team of nine, you will be expected to develop financial systems consistent with Prime's rapid growth. Success in this demanding role will lead to a more responsible position after 12 months.

At Prime we offer you the potential to advance and further develop management skills essential for success within a fast moving sophisticated environment. Based at our modern Head Office at Hounslow, you'll enjoy working with the finest facilities.

Apply by sending complete C.V. to Pam Levy, Human Resources Specialist, Prime Computer (UK) Limited, Primos House, 2-4 Lampton Road, Hounslow, Middlesex TW3 1JW.

First and Foremost

PRIME Computer

Management Services Director (Designate)

Southern England **c£25,000+car**

Our client is the UK subsidiary of a leading French hi-tech manufacturing company. The UK turnover is currently £20 million and exceptional growth is anticipated in the medium term. Consequently a high calibre Chartered Accountant is now required to assist in the realisation of this major development programme.

Reporting to the Managing Director, the successful candidate will be responsible for the development and management of the following functions:-

★ Financial Accounting ★ Management Accounting ★ Data Processing ★ Personnel and Administration

Aged 30+, you will have had previous experience in a dynamic environment with particular involvement in the enhancement of management accounting systems; some exposure to a distribution – orientated organisation would be desirable, but not essential. Outstanding man-management skills, business acumen and an excellent working knowledge of French, are key qualities.

A highly attractive salary package and generous fringe benefits will be offered together with full relocation where applicable. Interested applicants should write to Nigel Bates FCA, Executive Division, enclosing a comprehensive curriculum vitae, quoting ref. 176, at 31 Southampton Row, London WC1B 5HY.

MP

Michael Page Partnership
International Recruitment Consultants
London New York Bristol
Birmingham Manchester Leeds Glasgow

ACCOUNTANCY APPOINTMENTS

Rate £34.50 per single column centimetre

scope executive

MANUFACTURING CONTROLLER

Hampshire **£14,000 to £16,000**

Our advanced technology electronics client turns over in excess of $4 billion per annum, leads the world in technological excellence in each of its four major product divisions and is currently investing several hundred million dollars in European expansion and product diversification. As part of these developments, the company has built a new manufacturing facility in Basingstoke to produce new generation equipment in addition to its existing lines.

They now seek to recruit a manufacturing controller to take responsibility for the development and implementation of new production accounting systems and the management of existing functions. Production cost control in particular is perceived as being a key factor in the future success of the business and this position will therefore entail exposure to the most senior company managers on a regular basis. It is therefore exected that the successful candidate, having made an early impact on the business, will be ready for early advancement.

Suitable applicants will be fully qualified accountants, probably in their late twenties with a good track record in a manufacturing environment. Preference may be given to those with experience in a multi-national computerised accounting operation but this requirement is not exclusive.

For further details please contact:

JIM CADMAN
01-402 7162

10a London Mews, London Street, London W2. 01-402 7162

scope executive Recruitment & Consultancy

Senior Finance Executives

Following its sustained growth over the past three years, BPCC is now seeking to recruit several outstanding Financial Executives to play an active part in the continuing expansion of its operations. Vacancies exist at a number of locations in the South of England and Home Counties.

Accordingly, we wish to hear from ambitious, able, well qualified accountants who can satisfy the demanding standards which successful candidates will be able to meet. Candidates should be below 40 years of age.

The necessary qualities required will include:

- **Several years' experience at a senior level within industry, preferably but not necessarily in the printing or communications field.**
- **A well developed commercial aptitude and sound business sense.**
- **Extensive experience in job costing, preparation of budgets, management accounts and statutory accounts together with cash flow forecasting and control.**
- **Sound experience in the introduction and development of computer systems for accounting and allied uses.**
- **The ability to maintain tight control on operations by internal control systems, and over capital employed.**
- **The capacity to work under sustained pressure and ability to motivate others accordingly.**

Successful applicants will be rewarded with an attractive salary and benefits package that befits the qualities required of them.

Candidates who are confident they can satisfy the above requirements – and if you have any doubts you almost certainly cannot – should send a full CV to Andrew Browne, Deputy Finance Director,

The British Printing & Communication Corporation PLC
Maxwell House, 74 Worship Street
London EC2A 2EN

(No agencies will be considered)

Group Accountant/ Treasurer

City c.£18,000 plus car

Our client, a highly successful information services company with interests worldwide, is strengthening its head office team, and now *requires an ambitious accountant interested in* cash management.

At the hub of the Group's operations, this newly-created position will involve considerable contact with subsidiary managing directors and senior staff and requires strong technical and inter-personal skills.

Candidates should be Chartered Accountants, preferably aged 28-35. Experience of cash management and knowledge of computerised financial modelling techniques would be useful, but applicants direct from the profession, prepared to obtain *these skills, will be favourably considered.*

Applicants should write, enclosing a detailed C.V. and quoting reference 10/76 to:-

AGB Recruitment
173 Sloane Street London SW1X 9QG
Telephone: 01-235 9891

A member of the AGB Group of companies

Finance Director

S. Middlesex **c £25,000 + car**

This is a *job for a businessman rather than a* "score-keeper". Our clients are part of a world-wide organisation, market leaders in the supply of specialised products and services to a wide cross-section of industry. The U.K. company has some 200 employees and an expanding £multi-million turnover. *Supported by well-organised* Finance and EDP departments with qualified/experienced managers, the Finance Director will be part of a senior management team which is "financially literate" and committed to profit centre responsibility. His/her role will therefore be wide-ranging with the emphasis on commercial guidance and the interpretation of management *information. Applicants should be qualified, aged late 30's/early 40's and with "hands-on"* experience in industry. Ref. 1597/FT. Send c.v. (with telephone numbers and current salary) or write or phone for an application form to R.A. Phillips, ACIS, FCII, 2-5 Old Bond Street, London W1X 3TB. Tel: 01-493 0156 (24 hours).

Phillips & Carpenter
Selection Consultants

Accounting Control/Audit

M3/M25 **c.£30,000+car**

A distinguished internatiooal group with a ten figure turnover seeks an experienced financial manager to head its European systems and control review team. There is substantial scope for personal contribution to improved disciplines and profitability in a complex computerised industrial environment.

Candidates must be qualified accountants (ideally graduate) and unlikely to be under 35 with practical experience of manufacturing accounting, financial analysis and standard costing systems gained in major groups, either in the controllership function or in constructive systems/audit work. Evidence of exceptional competence is required.

For full job description write in confidence to J. Courtis at JC&P, Selection Consultants, 104 Marylebone Lane, London W1M 5FU, showing clearly how you meet our client's requirements, quoting 7168/FT. Both men and women may apply.

JC&P
John Courtis and Partners

International Bank Operational Audit

City **to £15,000 + excellent bank benefits**

As a result of their policy to promote internally, our client, one of the most prestigious and dynamic international banks in London, is seeking to recruit a recently qualified ACA to join a small team of specialists.

Your role will be to review the bank's systems, controls and activities in general and your recommendations will have a significant influence on the decisions of senior management.

To fulfill this high-profile position you will be ACA, aged mid to late 20's, with experience of banking clients gained either within one of the leading professional firms or within the audit department of an established bank.

In addition to the attractive starting salary, major benefits include mortgage subsidy and low cost personal loans.

To apply, please telephone or write to Jacqueline Boyd, quoting ref: JB 8300.

Lloyd Chapman Associates
160, New Bond Street, London W1Y 0HR 01-408 1670

Accountancy Appointments

Systems Accountant

An influential new role in systems development

from £15,000 plus exceptional benefits package

One of the world's leading car manufacturers, with a deserved reputation for innovation, our clients are currently planning a number of major new business systems at their UK headquarters, located to the West of London.

It is to assume an influential role in the introduction, management and auditing of this programme that they need a talented Accountant whose career has ideally included involvement in similar projects, essentially mainframe-based, and who now feels ready to tackle the professional challenge of managing a broad-based systems implementation brief from Day One.

Aged in your late 20's/early 30's, your 3-5 years' post-qualification experience within a large organisation should have equipped you with the technical expertise, the professional authority and the well-developed inter-personal skills this appointment must demand. Naturally your success here will form an excellent basis for further growth.

The remuneration package will include a salary negotiable from £15,000, two company cars, PPP and other generous executive-level benefits.

For further information, please send a detailed CV, quoting ref FT799, outlining salary progression to date, and listing any companies to whom your application should not be forwarded, to: Jill Wilson, **Riley Advertising (Southern) Limited, Old Court House, Old Court Place, Kensington, London W8 4PD.**

Riley

ABERDEEN BIRMINGHAM BRISTOL EDINBURGH GLASGOW LIVERPOOL LONDON MANCHESTER NEWCASTLE NOTTINGHAM PERTH

Confidential Reply Service
A member of the Rex Stewart Group

Financial Controller

Consumer Electronics

West London

c.£23,000+car

A subsidiary of a major international corporation, the company manufactures and distributes a range of high quality audio equipment throughout Britain and Eire. In less than eight years the company has created a high level of consumer awareness and achieved a substantial share of several highly competitive market sectors. Current U.K. turnover exceeds £16m.

Reporting to the Managing Director and working closely with other members of the senior management team, the controller will be responsible for all accounting and financial matters at head office. This will include the operation of effective financial controls, systems development, banking relationships and the secretarial function.

Candidates should be qualified accountants with management experience, ideally gained in a fast moving commercial environment. Familiarity with computerised accounting is essential and knowledge of overseas reporting and support procedures would be highly desirable. An outgoing person with developed communication skills and a strong, but participative management style will match the needs of the job.

Please reply in confidence giving concise career and personal details quoting Ref. ER735/FT to J.J. Culmore, Executive Selection.
Arthur Young McClelland Moores & Co., Management Consultants, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NH.

Arthur Young McClelland Moores & Co.
A MEMBER OF ARTHUR YOUNG INTERNATIONAL

ACCOUNTANCY APPOINTMENTS
Rate £34.50 per single column centimetre

Financial Controller/Chief Accountant

East Anglia **Circa £17,500 + car**

Our client, an expanding group of companies manufacturing and distributing agricultural products, with sales in the region of £20 million, is seeking a Chartered Accountant to fill this new post reporting to the Finance Director.

Responsibilities include managing and developing the full range of accounting and budgeting control function, including the preparation of the accounts for audit. The appointee will be responsible for the design and implementation of computerised financial accounting and management information systems, and will be closely involved in the commercial development of the business. Sound financial advice will be expected by the Board on a regular basis.

The appointee will have a successful record of commercial/industrial experience in the role of financial controller, experience in installing and managing computer-based systems, and the ability to communicate effectively to the Board. Leadership skills, creativity and initiative are particularly important assets. Persons under the age of 35 will be unlikely to have sufficient breadth of experience for this important position. Prospects are excellent.

Applications with full CV should be sent to:
Miss Penny Alison, Director of Personnel,
Robson Rhodes, 186 City Road, London EC1V 2NU.

ROBSON RHODES

Graduate Accountants

(Mid/Late 20's)

...to move into Senior Financial Management

Attractive 5 figure salaries: Location for discussion

The expansion of the Group Managemeot Services team has created the need to recruit several high-calibre graduate accountants with the poteotial to move into senior financial management. Promotion after 2 years to an appointment in an operating company in the UK or overseas is the expected progression. Indeed we now need to replace those who have been promoted receotly.

The Managemeot Services team provides financial managemeot and internal audit services to the whole Group internatiooally. Members of the team will be given as much responsibility as they can manage. Further training will be provided.

Candidates, preferably aged 24 to 30, must possess a 2.1 degree or equivaleot qualification. We need to appoiot several candidates rangiog from younger applicants, who are newly qualified, to those around 30 with proveo relevant experience in the profession and/or in industry (and perhaps an MBA). Starting salaries will be commensurate with the appropriate background and in the range £12,000 to £20,000.

Whilst the Department is located at Spondon, betweeo Derby and Nottingham, and close to the M1, team members need not be based there.

Please write with full details, including curreot salary and stating clearly how you meet the above requirements, to: Gordon Beaumont, Courtaulds PLC, PO Box 16, 345 Foleshill Road, Coventry CV6 5AE.

COURTAULDS

HI-TECH

Unprecedented expansion on the part of our client, a substantial U.S. computer marketing corporation has created an excellent opportunity for a senior accountant. Involved in the after-sales area of operations, the job-holder will be engaged in organising, budgeting, and providing all financial services for the division, as well as controlling 12 staff. Candidates will preferably be graduates, aged 30-35, highly motivated and business orientated, ready to work in a dynamic environment and to rise to any challenge. Ref: GR.

W. LONDON. **£19,000 + Car**

F.D. POTENTIAL

This rapidly expanding computer software and consultancy group offers an outstanding opportunity for a qualified accountant within this fast-moving concern. The Financial Controller will be responsible for the accounting function including the production of management information and budgeting, using computer based systems. Excellent career progression to directorship is envisaged within this stimulating environment. Ref: JG.

C. LONDON. **£15,000**

ROBERT HALF
FINANCIAL RECRUITMENT SPECIALISTS
ROMAN HOUSE, WOOD STREET, LONDON, EC2Y 5BA. 01-638 5191

Head of Finance and Accounting

London **c£25,000 + car**

Our client, a £ multi million turnover fmcg plc specialising in the mail order sector, currently seeks a graduate accountant to join the divisional management team.

Reporting to the Financial Director, the role includes financial/management accounting, treasury, tax and audit coupled with effective systems appraisal and financial advice.

Possibly from a retailing background, candidates aged 30-35, will possess a minimum of four years p.q.e. with a major company; technical expertise, experience of advanced computerised systems, the ability to motivate personnel and identify priorities are seen as essential qualities.

Candidates should write to Andrew Sales, FCCA, Executive Division, enclosing a comprehensive curriculum vitae, quoting reference 170, at Michael Page Partnership, 31 Southampton Row, London WC1B 5HY.

MP
Michael Page Partnership
International Recruitment Consultants
London New York Bristol
Birmingham Manchester Leeds Glasgow

SYSTEMS ACCOUNTANT

City **£15-20,000 + Benefits**

Our client is a leading life assurance company with a substantial investment and property portfolio whose premium and investment income has more than doubled over the last five years.

The Investment Accounts Department which is responsible for the accounting, administration and valuation of a wide range of funds, now seeks a Systems Accountant who will take total project responsibility for all computer systems development within the area.

Candidates should be qualified Accountants and preferably Graduates aged 25-30, with relevant systems experience within the financial sector or computer audit experience with a major firm of Chartered Accountants. Some programming and/or systems analysis experience would also be advantageous.

The successful candidate is likely to have the opportunity to move into a senior line management position within 2-3 years.

Benefits include a subsidised mortgage, non-contributory pension scheme and free medical coverage.

Please reply in confidence with brief career details giving a daytime and evening telephone number or telephone D. E. SHRIBMAN.

HUDSON SHRIBMAN
The complete financial selection service
College Hill Chambers, 23 College Hill, London EC4R 2RT. Tel: 01 248 7851/8 (24 hours)

Controller & Secretary

North Yorks **c£16,000 + Car**

Our client is a well-established manufacturing supplier to the packaging industry. This top post involves participation at Board level in all commercial decisions as well as responsibility for conventional company financial and statutory matters.

An immediate need is the strengthening of controls in the production divisions by the introduction of further computerised techniques.

Candidates, 35–45, qualified accountants, should already have hands-on experience of budgetary controls and costing aspects of a manufacturing business. Above all they should seek full involvement in the company's development.

Please write in confidence to Peter Purdon at JC&P, selection consultants, 310 Chester Road, Hartford, Northwich, Cheshire CW8 2AB, enclosing c.v. and showing clearly how you meet our client's requirements quoting reference 818/FT. Both men and women may apply.

JC&P
John Courtis and Partners

GROUP ACCOUNTANT

Brighton **circa £17,000 + Car + Benefits**

Our client, a successful expanding group of companies operating in the financial services sector, wishes to appoint a Group Accountant who has the potential to grow with the organisation.

The appointee will have responsibility for managing the accounting function, providing the group's range of periodic financial reports and, technical backup to operating units on accounting and taxation matters.

Applicants for this position should be qualified accountants, aged in excess of 30 years, with a proven record of technical competence and relevant experience.

Written applications, enclosing C.V. should be submitted in strictest confidence to Neil Gillespie, at our London office, quoting ref. 4877.

410 Strand, London WC2R 0NS. Tel. 01-836 9501
28 West Nile Street, Glasgow G1 2PF Tel. 041-226 3101
113/115 George Street, Edinburgh EH2 4JN. Tel 031-225 7744
Brook House, 77 Fountain Street
Manchester M2 2EE. Tel. 061-236 1553

DOUGLAS LLAMBIAS
Douglas Llambias Associates Limited
Accountancy & Management Recruitment Consultants

DLA

COMMERCIAL DEVELOPMENT ACCOUNTANT

EDINBURGH

We are European leaders in providing a range of temperature controlled warehousing, distribution and processing services to the food industry with locations throughout the U.K., France, Belgium and Holland. Ambitious expansion plans create a vacancy for a Commercial Development Accountant based at our head office in Edinburgh.

Reporting to the Finance Director you will head up a small team responsible for evaluating new projects generated by our acquisition and expansion programme; assist with corporate planning; and provide specialised assistance with the introduction of new projects.

Candidates (30-40) must be qualified accountants with at least 3 years' industrial/commercial experience. They will also have a track record that shows positive contributions towards profit and commercial improvement programmes, problem solving and the ability to assist senior management to cope with change.

We offer an excellent salary and promotion prospects, company car, superior pension and associated benefits. Assistance with relocation costs will be available where necessary.

Please write with c.v. to: M. C. Barrie,

Christian Salvesen (Food Services) Limited
50 East Fettes Avenue, Edinburgh EH4 1EQ

Well established company (28 years) expanding progressively in high technology equipment is looking for a

Chartered Accountant

with the minimum following qualifications:
* University degree
* 5 years' commercial/industrial experience including some experience in taxation and recruitment.

For the position of

Company Director

£20/25,000 p.a. + car
Please send full c.v. to: The Chairman,
Tarex Berger
and Associates Limited
The Glanty, Egham, Surrey TW20 9AH.

Accountancy Appointments

SYSTEMS ACCOUNTANTS

for Management Consultancy

London **Up to £26,000 plus car**

We are the management consultancy arm of one of the largest international accounting firms. The rapid growth of our practice has created a need for additional accountants with hard practical experience of designing and implementing computerised accounting and management information systems. Of particular interest are candidates with experience of large-scale general ledger packages such as MMS, G/L PLUS and MSA.

We can offer you a variety of challenging work with clients spanning the whole range of industry, commerce and government. And you would have the opportunity of broadening your skills into areas such as corporate appraisals, profit improvement programmes, project feasibility studies and financial model building. Long term career prospects are excellent.

You should be a qualified accountant with a good first degree and several years relevant systems experience. Our preferred age range is 28 to 38 years.

Please send a comprehensive career résumé, including salary history and day-time telephone number, quoting ref: 2222 to M.R. Hurton.

Touche Ross & Co.

Hill House 1 Little New Street London EC4A 3TR Telephone: 01-353 8011

Due to continued expansion, our clients, world leaders in the hi-technology business based in Berkshire seek to recruit two additional accountants to further enhance their growth investments:

Operations Analysis Manager

c£17,000+

Reporting to the divisional controller, your role has accountability for the whole financial, management accounting and analysis functions. The provision of effective management information is of paramount importance to the company's growth, and therefore the ability to communicate effectively with other departments and their controllers is essential. Aged between 27-30, you will be a qualified accountant with experience in an analysis type role wishing to further extend your commercial knowledge in a dynamic enviroment.

Commercial Services Manager

c£15,000+

A qualified accountant who as well as being responsible for efficient financial and management reporting is required to become totally involved in the commercial activities of the division. An initial project will be an extensive review of all systems and procedures. You will have responsibility for all proposals of a non standard nature, and new contract areas to ensure the profitability of any project is acceptable, and that legal considerations are valid. This position offers a unique career to those wishing to move into the more commercial side of accounting.

Prospects within the group are excellent, and the usual large company benefits apply including assistance with relocation.

Please telephone, or write briefly for personal history form quoting ref: BB5073 to Andrew Fowler, Regional Manager.

Management Personnel

Recruitment Selection & Search

2 Eton Court, Eton, Windsor, Berkshire.
Telephone: (07535) 54256

GROUP ACCOUNTANTS

Financial Analysts for the Front Line

NORTH WEST TO £20,000 + CAR

Two new key financial posts have been created in the Head Office of this diverse and strongly international £400 million Group. The exceptional graduate accountants to be appointed will link the various operating subsidiaries allocated to them with the financial centre. They will work closely with Group Directors and Senior Executives and the Top Management of these subsidiaries. Their role will encompass not only budgeting, reporting and monitoring, but also business strategy and acquisitions. They will be expected to initiate action and produce results, not just to advise and report.

Candidates, male or female, will probably be Chartered Accountants, perhaps with an MBA or equivalent. They are likely to be in their later twenties or early thirties and must have shown significant career progress to date. Their experience must include sharp-end accounting experience in industry or commerce. Maturity in inter-personal relationships will be crucial and they will be able to demonstrate intellectual and practical ability.

The salary will be negotiable around the guide figure and benefits include a 2 litre car, BUPA and relocation when appropriate. Salary progression will be excellent and career opportunities in financial or general management will follow on success.

Please write — in confidence — with full career details to A. D. Percival at Bull, Holmes (Management) Limited, 20 Albert Square, Manchester, M2 5PE, quoting reference 490.

Bull Holmes

PERSONNEL ADVISERS

Finance Manager

International Health Care

IAL Medical Services, based in Stoke Poges, Berks., provide technical and support services to Health Care Projects worldwide. As Finance Manager, you will be involved in the preparation of bids, negotiation and subsequent monitoring of new contracts in addition to preparing the business group's financial reports and budgets.

We are looking for a qualified accountant, with a minimum of five years experience, ideally with some of that experience in contract accounting.

Our benefits package, which includes a company car, offers an attractive salary, plus relocation where applicable.

Please write, enclosing a full c.v. to Clare Fuller, or telephone her for an application form. Please quote Ref. K121.

IAL Medical Services Manpower Services

Aeradio House, Hayes Road, Southall, Middlesex, UB2 5NJ Telephone: 01-574 5134.

A MEMBER OF THE STANDARD TELEPHONES AND CABLES PLC GROUP

Special Late Night Until 8·30pm Tonight

The third annual Accountants' Exhibition will be the largest ever held, comprising some 150 different exhibits offering to those involved in the world of Accountancy and Finance an unparalleled opportunity to consider the products and services available in their particular and specialised market.

'The Accountants' Exhibition' is the only exhibition specifically designed for all those involved in the financial world be they in practice, commerce or public service; qualified or a student.

A special late-night opening has been arranged for Thursday 15th November until 8.30pm — an opportunity to visit if you are unable to leave the office during the day.

COMPLIMENTARY TICKET

The Accountants' Exhibition

CITY OF LONDON, EC2 NOVEMBER 13th - 16th 1984
HALL A, BARBICAN EXHIBITION HALL

Opening Hours: Tuesday 13th, Wednesday 14th, 9.30–6.30pm; Thursday 15th, 9.30–8.30pm; Friday 16th, 9.30–1.00pm.

Sponsored by: Certified Accountant Magazine

Co-sponsors: Accountancy, Accountancy Age, The Accountant, Pass, Accounting Technician

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BANK OF PAPUA NEW GUINEA

INTERNAL AUDITOR

PAPUA NEW GUINEA

£23,750-26,400

(Based on exchange rates at 24 October 1984)

The Bank of Papua New Guinea is the Central Bank of the country. It undertakes all the normal functions of a Central Bank including investment of the nation's reserves.

Reporting to the Governors, the Auditor will direct the Audit staff on a comprehensive audit programme on all the functions of the Bank and on matters as directed by the Governors. The Auditor will be required to carry out in-depth audits, review controls, and provide advice to management on necessary controls and procedures.

Applicants should be Chartered Accountants with five years post qualification experience, with knowledge of and experience in banks and financial institutions. The job requires self motivation and a keen interest in the training of staff.

Under current arrangements, 20% of the salary may be saved as a gratuity payable on termination and taxable at a current rate of 2%. The balance of salary attracts tax at around 30%. Other benefits include fully furnished housing at nominal rental, children's education subsidy and during the term of employment one return holiday air fare for the applicant and family. Annual leave of 30 working days may be taken or accumulated and taken at the end of the contract.

The term of employment is 2 years. Applications, giving details of previous work experience and the names and addresses of three referees should be sent as soon as possible to:

The Personnel Manager
BANK OF PAPUA NEW GUINEA
P.O. Box 121, Port Moresby, PNG

EUROPEAN INVESTIGATIONS

ACA/ACMA aged 27-33 **neg. c.£20,000**

Our client is a U.S. MULTI-NATIONAL CORPORATION in the TOP 100 of FORTUNE 500 with annual European turnover c. $250m and worldwide turnover in excess of $2,000m.

A young qualified ACCOUNTANT is required ultra-competent, flexible, hard-working but sociable with a sense of humour and the ability to create fast rapport with everyone he or she meets.

There is a high travel content within Europe initially with the primary locations being in GERMANY, FRANCE and the UK. However, the company also has significant operations in SPAIN, ITALY, HOLLAND, BENELUX, SCANDINAVIA and SOUTH AFRICA. For this reason, a second language facility in GERMAN, FRENCH, ITALIAN or SPANISH is very desirable.

In addition, AT LEAST FOUR TO SIX WEEKS will be spent working in the USA each year. The ideal candidate is likely to have spent at least 18 months with a TOP TEN UK PROFESSIONAL FIRM, either from a LONDON or EUROPEAN base or alternatively could have spent a minimum of two years in a line management role in a SIZEABLE ENGINEERING company.

Please telephone and send career details to:—

ACCOUNTANCY APPOINTMENTS EUROPE,
GEORGE D. MAXWELL, Managing Director,
The International Business Centre,
1-3 Mortimer Street, London W1N 7RH.
01-637 5277 ext 281/282 or
01-580 7695/7739 (direct lines)

Accountancy Appointments Europe

FINANCIAL ACCOUNTANT

c.£14,000 plus substantial benefits

Barclays Bank Chief Accountant's Department is located in modern offices in Poole, Dorset. The work of the Department is involved with financial and management accounting fot the Barclays Group. The Department plays a vital role in the development and co-ordination of the Group's accounting policies and practices. As a result of career progression, a vacancy has arisen for a Financial Accountant.

The Post is concerned with the preparation of Group management and financial reports, including those required to meet reporting obligations in the United States.

Candidates should be chartered accountants with post qualification experience of substantial consolidations gained at the head office of a large group or in a professional firm.

The position offers opportunities for career progression with the Barclays Group, attractive working conditions and many fringe benefits including a non-contributory pension scheme, a special house purchase scheme and the Bank's profit-sharing scheme.

Please send a comprehensive career resumé, including salary history to:

G. A. Mawer CA
Group Accountant
Barclays Bank PLC,
Barclays House,
1 Wimbourne Road, Poole,
Dorset BH15 2BB

BARCLAYS

Financial Controller and Company Secretary

(Director Designate)

Middlesex **c.£18,000 + bonus + car**

Our client is one of the world's leading specialists in the design, co-ordination and management of conferences, exhibitions and publications concerned with the business applications of leading edge technology. It is anticipated in 1984 that turnover will continue to expand to a profitable £5 million.

Positive plans for further expansion and a possible USM flotation in the future require a commercially minded, qualified accountant to join the Company's management team in a new appointment to develop and manage the accounting and company secretarial functions. Principal responsibilities will also include effective cash, currency and investment management and the business and commercial aspects of subsidiary operations in the USA and Singapore.

Applicants, aged 30 - 40, must have at least five years management experience, preferably gained in marketing or service organisations, and the energy, commitment and drive to succeed in a demanding, fast moving and innovative environment. Please write in the first instance submitting a concise curriculum vitae and quoting reference 6391 to:

Peter Childs,
Pannell Kerr Forster Associates,
78 Hatton Garden,
London EC1N 8JA.

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FLOGAS

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Rescue plan for Argos Metals unveiled, Page 40

SECTION III – INTERNATIONAL MARKETS
FINANCIAL TIMES
Thursday November 15 1984

WALL STREET

Hopes fade for Fed easing

BOND PRICES suffered another weak session on Wall Street yesterday as hopes cooled for any further easing in Federal Reserve credit policies at present. Once again, selling pressure was moderate but the big institutional investors stayed on the market sidelines, *writes Terry Byland in New York.*

Turnover in the stock market remained sluggish, but prices for the blue chips were dragged down by mid-session in line with the bond market, but steadied as the Dow 1200 mark drew near.

At the close, the Dow Jones industrial average was 0.33 up at 1206.93.

The credit markets refused to be impressed by two further injections of liquidity into the market by the Federal Reserve with the Fed funds at 9½ per cent.

The first move was a temporary injection of liquidity through a customer repurchase arrangement and this was quickly followed by a more permanent addition of funds when the Fed said it was buying all coupon maturities.

"Probably 80 per cent of any easing by the Fed is now behind us," Mr Jim Davin of First Boston said.

Wall Street's view of the immediate outlook has slipped from positive into neutral this week, leaving bond market traders endeavouring to sell last week's newly-auctioned Treasury issues into a reluctant market. Concern at the lack of action on curbing the federal deficit was fuelled yesterday by the upgrading in White House budget deficit forecasts.

Virtually unchanged retail sales in October had been expected, but were offset by forecasts from some Wall Street economists of a busy Christmas Seasoo. This might be good news for retail stocks but decreases the likelihood of any further easing by the Fed.

The stock market drifted lower at first but selling was very light and prices rallied when the Dow neared 1,200. The Dow 1,200 mark is a significant testing level, which, if penetrated, could leave the stock market vulnerable to a fall to 1,180.

A dull spot was American Express – $⅞ off at $34⅞ after disclosing a further cash injection into its troubled Fireman's Fund insurance subsidiary – although the stock bad rallied after American Express said there would be no impact on fourth-quarter profits.

ITT at $27 shed $¾ in response to the latest trading figures which included a warning of further charges against earnings. City investing fell $1¾ to $39½ as the market awaited developments in the planned sale of substantial parts of the group assets.

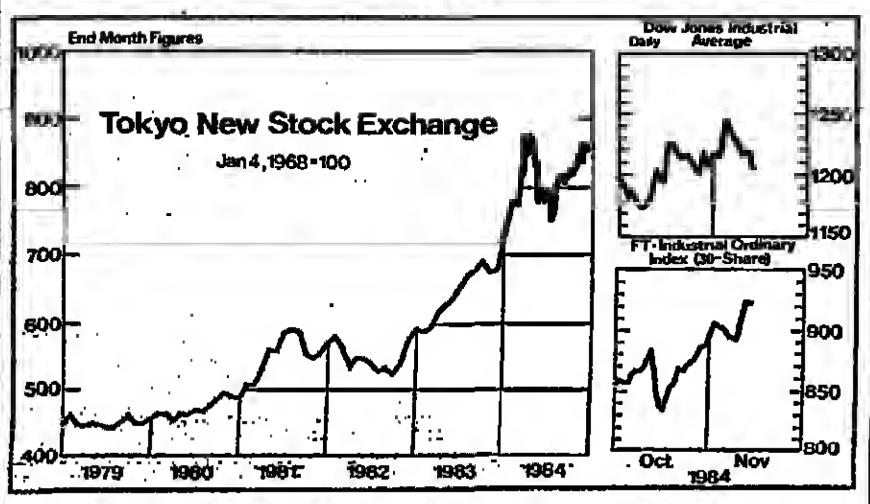
On the American Stock Exchange, a bout of selling drove Western Savings and Loan down $2⅛ to $23⅞. Automatic Switch, however, gained $3½ to $47⅞ after its board said it may offer the company for sale.

Among the blue chips, NCB at $26⅛ added $⅛ on plans for a new computer range, while IBM at $123 was $¼ higher. Motor and chemical issues showed small mixed price movements.

In the credit markets, short-term rates remained firm despite the Fed's moves to help liquidity. Three-month treasury bills added 6 basis points to 8.76 per cent, while six-month bills moved resolutely above the 9 per cent mark again. Certificate of deposit rates began to move higber at mid-session, when increases ranged to 15 basis points in the longer maturities.

The bond market opened weakly and could make little headway during the session. Falls of half a point or so were registered at the longer end, with the price of new key long bond, the 11.75 per cent of 2014, down 1⅑⁄₃₂ at 99²⁵⁄₃₂. Municipal and corporate bonds also turned easier.

KEY MARKET MONITORS



STOCK MARKET INDICES

	Nov 14	Previous	Year ago
NEW YORK			
DJ Industrials	1,206.93	1,206.6	1,254.07
DJ Transport	526.74	527.28	601.55
DJ Utilities	143.62	144.66	136.99
S&P Composite	165.99	165.97	166.58
LONDON			
FT Ind Ord	923.7	924.3	722.8
FT-SE 100	1,181.5	1,183.7	906.5
FT-A All-share	558.10	559.09	453.98
FT-A 500	609.74	611.02	488.34
FT Gold mines	578.2	565.6	521.3
FT-A Long gilt	10.05	10.02	10.09
TOKYO			
Nikkei-Dow	11,320.90	11,265.16	8,348.52
Tokyo SE	856.93	852.23	686.07
AUSTRALIA			
All Ord.	778.4	778.3	710.8
Metals & Mins.	475.2	475.1	516.3
AUSTRIA			
Credit Aktien	57.54	57.41	54.11
BELGIUM			
Belgian SE	161.26	161.53	127.37
CANADA			
Toronto			
Metals & Minls	2,026.2*	2,030.8	2,345.0
Composite	2,412.7*	2,412.1	2,476.1
Montreal			
Portfolio	118.7*	119.67	121.86
DENMARK			
Copenhagen SE	170.54	170.41	190.17
FRANCE			
CAC Gen	180.4	180.8	142.8
Ind. Tendance	118.5	119.0	90.9
WEST GERMANY			
FAZ-Aktien	370.50	370.46	340.86
Commerzbank	1,083.8	1,082.9	1,019.8
HONG KONG			
Hang Seng	1,077.93	1,066.13	856.01
ITALY			
Banca Comm.	211.99	211.95	183.49
NETHERLANDS			
ANP-CBS Gen	178.8	180.0	141.1
ANP-CBS Ind	140.5	141.1	112.7
NORWAY			
Oslo SE	283.88	285.47	198.74
SINGAPORE			
Straits Times	801.7	795.52	936.06
SOUTH AFRICA			
Golds	1,099.0	1,094.4	761.3
Industrials	904.2	898.2	898.4
SPAIN			
Madrid SE	137.69	138.28	128.02
SWEDEN			
J & P	n/a	1,359.57	1,410.33
SWITZERLAND			
Swiss Bank Ind	379.2	379.9	350.7
WORLD	Nov 13	Prev	Year ago
Capital Int'l	187.3	187.4	180.5

GOLD (per ounce)

	Nov 14	Prev
London	$345.75	$349.75
Frankfurt	$346.25	$350.25
Zürich	$346.00	$350.50
Paris (fixing)	$347.68	$351.28
Luxembourg (fixing)	$346.25	$349.25
New York (Dec)	$347.80	$347.80

* Latest available figure

CURRENCIES

(London)	U.S. DOLLAR Nov 14	U.S. DOLLAR Previous	STERLING Nov 14	STERLING Previous
$	–	–	1.2605	1.272
DM	2.971	2.94	3.7425	3.7425
Yen	242.35	240.35	305.5	305.75
FFr	9.115	9.025	11.4825	11.49
SwFr	2.4475	2.414	3.0825	3.0675
Guilder	3.3485	3.3035	4.21	4.20
Lira	1,847.5	1,825.5	2,322.0	2,330.0
BFr	59.85	59.25	75.5	75.8
C$	1.31555	1.3143	1.66	1.6745

INTEREST RATES

	Nov 14	Prev
Euro-currencies (3-month offered rate)		
£	10	9 15/16
SwFr	5⅛	5 3/16
DM	5⅞	5¾
FFr	11¼	11⅛
FT London Interbank fixing (offered rate)		
3-month U.S.$	9⅜	9 5/16
6-month U.S.$	10	9 13/16
U.S. Fed Funds	9½*	9¾
U.S. 3-month CDs	9.25*	9.25
U.S. 3-month T-bills	8.78*	8.67

U.S. BONDS

	Nov 14* Price	Nov 14* Yield	Prev Price	Prev Yield
Treasury				
11⅛ 1986	101⅝	10.69	101 19/32	10.67
12⅛ 1991	102 15/32	11.70	102 25/32	11.69
11⅝ 1994	99 5/32	11.79	99⅛	11.78
11¾ 2014	99 25/32	11.70	100⅛	11.74
Corporate				
AT & T				
10⅜ June 1990	94⅞	11.70	94⅞	11.70
3⅞ July 1990	72	10.65	72	10.65
8¾ May 2000	76⅝	12.20	76⅝	12.20
Xerox				
10¼ March 1993	92⅝	12.10	92⅝	12.10
Diamond Shamrock				
10¾ May 1993	91	12.35	91	12.35
Federated Dept Stores				
10¼ May 2013	86⅝	12.30	86⅝	12.60
Abbot Lab				
11.80 Feb 2013	93.80	12.60	93.80	12.60
Alcoa				
12½ Dec 2012	95⅝	12.80	95⅝	12.80

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
Dec	70-05	70-15	69-29	70-11
U.S. Treasury Bills (IMM) $1m points of 100%				
Dec	91.21	91.28	91.15	91.25
Certificates of Deposit (IMM) $1m points of 100%				
Dec	90.37	90.49	90.32	90.43
LONDON				
Three-month Eurodollar $1m points of 100%				
Dec	90.04	90.15	89.99	90.18
20-year Notional Gilt £50,000 32nds of 100%				
Dec	109-17	110-08	109-16	109-22

COMMODITIES

(London)	Nov. 14	Prev
Silver (spot fixing)	603.40p	612.50p
Copper (cash)	£1,064.25	£1,088.00
Coffee (Nov)	£2,608.00	£2,596.00
Oil (spot Arabian light)	$28.05	$28.13

LONDON

Sparkle lost but resilience retained

EQUITIES lost some of their sparkle in London yesterday, but leading shares refused to react significantly from their present record levels. Traders were impressed by the performance as the temptation to realise profits was considerable in the light of Wall Street's fresh setback overnigbt.

Instead of flushing out sellers, the lower prices encouraged buyers and both stocks and gilts recovered steadily. The looming presence of the British Telecom issue was a strong supporting factor.

Recently beleaguered engineering group TI attracted speculative interest, with talk of takeover possibilities, and gained 12p to 218p. The FT Industrial Ordinary Share index closed only 0.6 off at 923.7 having been 6.6 lower at the first calculation.

Government securities also reduced opening losses. Dealers in sbort-dated stocks ran into early demand and, with sellers reluctant, prices rallied before easing again late. Business in the longs was lighter than recently but final loses were marginal.

Chief price changes, Page 34; Details, Page 35; Shore information service, Pages 36-37.

SINGAPORE

THE PERSISTENT selling which has taken many leading Singapore issues to year's lows was stemmed by domestic short-covering to lift the Straits Times industrial index back over the 800 barrier with a 6.17 gain to 801.70.

An encouraging feature was the relatively strong volume, and the prominence in trading activity of blue chip banking and industrials rather than the speculative issues which have often been leading the way.

Volume leader Sime Darby put on 8 cents to S$1.93 and UOB followed with a 4-cent rise to S$4.24. Less busily dealt but greater beneficiaries were DBS, which soared 45 cents to S$5.90, and Genting, up 14 cents to S$4.84.

SOUTH AFRICA

A SLIGHTLY firmer bias emerged among Johannesburg golds in the absence of any sharp bullion price movement.

Doornfontein added R2 to R400 but Buffels slipped 50 cents to R61.50. The mining houses held firm, while results boosted Anglo-American Coal R1.70 to R36 after Tuesday's 20-cent dip.

Industrials drew benefit from mounting pressure for interest rate cuts. Currie Finance put on 15 cents to R4.20 and OK Bazaars 30 cents to R14.50.

HONG KONG

SUPPORT by institutions, both domestic and foreign, enabled the Hong Kong rally to continue although smaller local investors remained wary. Hopes remained of further interest rate cuts this week, and trading was active.

Gains were somewbat uneven and follow-through buying not as strong as expected, however: Hang Seng Bank put on 50 cents to HK$36.50 but Bank of East Asia at HK$21.90 could manage only a 10-cent rise.

Cheung Kong added 20 cents to HK$8.65, Sbell Electric 6 cents to HK$1.68 and Hutchison Whampoa 40 cents to HK$15.30.

AUSTRALIA

LOYALTY to resource issues allowed a steady Sydney outcome despite a marked slowdown in activity.

BHP added 10 cents to A$10.70 after its late announcement of output projections for a Timor Sea well. Strong gains for golds took Central Norseman 14 cents higber at A$5.64, while Santos on the energy side remained in favour, up 8 cents to A$8.38.

CANADA

SHARES EDGED LOWER in Toronto with some of the largest declines seen in the gold sector. Metals and minerals issues, together with oil and gas stocks were also easier.

Montreal held steady with marginal advances seen in utilities and banks.

TOKYO

Incentives found for fresh rise

INCENTIVE-BACKED issues continued to dominate activity in Tokyo yesterday, but investor interest spread to optical fibre-related shares and selected electrical issues, *writes Shigeo Nishiwaki of Jiji press.*

The Nikkei-Dow market average managed a 55.74 improvement to 11,320.90, regaining the 11,300 level for tbe first time since the record high of 11,374.1 set on November 5. Volume totalled 415.37m sbares, up from Tuesday's 345.60m.

Fears that the New York Dow would soon fall below 1,200 left many investors seeking undervalued and lagging issues that are insulated from Wall Street performances.

Meidensba Electric, which plummeted on Tuesday when its maximum daily price range was reduced to cbeck a euphoric rise that had lasted through the preceding three sessions, moved the maximum Y50 down to Y530 on heavy selling of more than 10m shares. It later regained strength on speculative buying to close at a bid price of Y540 with buy orders for more than 13m shares left unfilled.

The stock's performance has mirrored the speculative market of the past week, surging ahead on small-lot buying, attracting heavy buying demand and then suffering panic selling as the price advance lost pace.

Showa Aluminium, whicb has succeeded in developing a tougher aluminium alloy, continued to attract buyers, gaining Y12 to Y295 on the day's heaviest trading volume of 15.84m sbares.

Medium-capital beavy electrical issues were strong. Nippon Denko added Y44 to Y722 on improved earnings and development of new ceramics. Blue chips Hitacbl and Toshiba were in demand, and gains of Y10 and Y7 respectively took them to Y869 and Y428.

In the bond market, buying interest centred on the 7.5 per cent government issue maturing in January 1993 and the 7.5 per cent bond due July 1993 – both relatively underpriced with their yields slipping from 6.810 per cent to 6.760 per cent and from 6.820 per cent to 6.770 per cent respectively.

Concern about the recent price advance resulted in sluggish trading, with activity confined mainly to small-lot buying by city and trust banks.

EUROPE

Stockholm fails to stem slide

TOP INDUSTRIAL shares continued their retreat yesterday on the Stockholm bourse which dipped to a second consecutive low for the year – a decline attributed variously to a shift into bonds, unfavourable tax measures and fears of fresh margin curbs, *writes David Brown in Stockholm.*

Prices have been falling since the peak in early February, but the bulk of the drop has come over the past few weeks. The Jacobson and Ponsbach index yesterday shed 17.18 to 1342.39, a two-day setback of 54.71 or 3.9 per cent, which left it 15.8 per cent below the record level of 9½ months ago.

"The decline is starting to feed itself," said Mr Harald Lunden of Carnegie Fondkommision. "Individuals are tending to sell out regardless to protect their boldings while the institutions are staying in the sidelines."

One technical factor is a widely circulating rumour of a pending change by the Bankers Association in guidelines for margin buying. This has set off a new round of selling at a time when the market was already tending downwards.

In addition, high interest rates have meant government bonds offering a real rate of return of about 5 per cent when, as one analyst put it, "most people are afraid to hold equities." The supply of new issues earlier this year also appears to have overtaken demand.

A newly imposed tax of 1 per cent on turnover is credited with having set off a spate of net selling by foreign buyers in the first balf. These buyers were instrumental in the initial upturn of the market last year and now own some 7 per cent of the total value of listed shares.

They bave again become net buyers, but at a much slower pace than a year ago.

The controversial wage earner funds, viewed earlier this year as a potential source of new capital, bave beeo slow to invest in shares.

Mr Krister Wallin, president of the Mootagu & Company finance house said: "I think the trend will continue downwards for at least several months before we can start digging ourselves out."

Our Financiol Stoff odds: Among market leaders to decline yesterday, Skandia and Stora Kopparberg each shed SKr 5 to SKr 295 and SKr 155 respectively, while Volvo dipped SKr 1 to SKr 201.

Elsewbere, the continued weakness displayed by Wall Street and the firmer tone adopted by the dollar again put a check on other major European bourses.

Frankfurt was steady after a quiet session with the Commerzbank index up just 0.9 at 1,083.6.

In chemicals, the sharp improvement in Hoechst's pre-tax profits for the first nine months failed to provide much inspiration and the share added 30pfg to DM 177.50.

Karstadt in stores shed DM 2.50 to DM 245 in the wake of its announcement of lower sales in the first nine months.

Bond prices were marked down and the Bundesbank bought DM 5.9m of paper following sales totalling DM 7.4m the previous day.

Uncertainty over the course of U.S. interest rates depressed **Amsterdam** where the ANP-CBS general index dipped 1.1 to 176.9.

Unilever was Fl 1.50 lower at Fl 303.50 in line with the general trend, despite the rise in third-quarter profits announced on Tuesday.

Bonds were lower in quiet trading.

The decision of the French Government to relax exchange controls had little effect in **Paris**, where shares were marked down in another calm session.

Zurich was mixed with foreign demand buoying the banking and insurance sectors.

Bonds were little changed.

Brussels was lower in moderate trading although beavy volume was seen in Groupe Bruxelles Lambert ahead of a capital increase approved by sbareholders on Monday. It dipped BFr 5 to BFr 2,315.

A moderately active day's trading was seen in **Milan** and prices were mostly higber, led by strong gains in the industrial sector.

Profit-taking in **Madrid** left shares marginally easier again.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
23½	13¼	AAR	.48	2.2	19	23	21⅞	21¼	21¼	
30½	9¾	AGS			8	105	11⅝	11	11	−⅛
22	13½	AMCA	n.16	4		6	15⅞	15⅝	15⅝	−⅛
16⅛	13⅛	AMF	.50	3.2	88	240	15⅜	15½	15⅜	+⅛
41¼	24¼	AMR			5	1903	31½	31	31¼	+⅛
20⅝	18⅛	AMR	pf2.18	11		21	19⅝	19⅝	19⅝	
41½	27½	AMR	pf2.13	6.5		185	32¼	32¼	32¼	+⅛
10⅝	8½	APL			4	32	13⅛	12⅞	13	−⅛
70⅞	40⅛	ARA	2.10	3.0	14	1014	70⅝	70⅛	70⅛	−⅛
69¾	44⅛	ASA	3a	5.0		z701	60	59⅛	59⅝	−⅛
30⅛	16½	AVX	.32	1.7	11	194	19	18⅝	18⅝	−⅛
50½	36⅜	AbtLab	1.20	2.8	13	1659	42½	42⅛	42⅜	+⅛
23⅛	16½	AccoWd	s		19	272	22⅞	22⅛	22⅝	+⅛
27⅛	12½	AcmeC	.40	2.7		91	15	14⅝	15	+½
12⅞	8⅛	AcmeE	.32b	3.4	13	20	9½	9⅜	9⅜	−⅛
18⅜	15	AdaEx	2.11e	13		40	16½	16¼	16½	+⅛
18⅝	11⅞	AdmMl	.32	2.1	9	11	15⅛	15⅛	15⅛	
32	13½	AdvSys	.80	5.7	13	179	14⅜	14⅛	14¼	−½
47⅞	25⅛	AMD			13	5412	30½	29⅝	30	−⅞
14⅛	7⅛	Advest	.12	1.4		132	8⅝	8⅝	8⅞	−⅛
16¼	5⅜	Aerflex			11	67	11⅞	11½	11⅞	
39	27¼	AetnLf	2.64	7.8	29	1289	35⅞	34⅜	34⅞	−½
58⅛	52⅛	AetL	pf5.79e	10		231	55½	54⅝	55¼	−⅛
34½	15⅜	Ahmns	1.20	4.8	11	444	25	24⅝	24⅝	−⅛
5½	2⅝	Aileen				107	2½	2⅜	2⅜	
48⅞	36½	AirPrd	1.20	2.6	19	393	45⅛	45¼	45⅜	+⅛
30⅞	13	AirbFrt	.60	3.1	11	140	19⅛	18⅞	19⅛	−½
3⅝	1⅞	AlaMoa	.50e	13		37	3⅝	3⅛	3⅛	
27⅛	21	AlaP	pf2.97e	12		180	25⅝	25½	25⅝	+⅛
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

B-B-B

C-C-C

D-D-D

E-E-E

F-F-F

G-G-G

H-H-H

I-I-I

J-J-J

K-K-K

L-L-L

M-M-M

N-N-N

O-O-O

P-Q

Continued on Page 33

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
7 1/8	3 5/8	ADI	n		18	104	6	5 5/8	6	+ 1/8
3 1/4	2 1/2	ADI	wt			15	3	2 7/8	3	
3 3/8	1 1/8	AICPh				10	1 5/8	1 1/2	1 5/8	
15 1/4	8 1/4	ALLab	n.20	1.8	11	5	10 5/8	10 5/8	10 5/8	
13 7/8	12	AMC	n.12e	1.0	10	2	12 1/2	12 1/2	12 1/2	
3 7/8	2 1/2	AM	Intl			182	2 7/8	2 3/4	2 7/8	
2 1/8	1/8	ATI				37	15-16	15-16	15-16	
71 3/4	58	ATTFd	n5.52e	8.0		55	69 5/8	68 7/8	69 5/8	
7 1/8	2 1/8	AcmePr				10	3 1/2	3 1/2	3 1/2	
16 3/8	9 1/2	AcmeU	.32	3.0	12	15	10 5/8	10 3/8	10 1/2	− 1/4
16 7/8	8 1/4	Action			36	60	14 1/2	14 3/8	14 3/8	− 1/4
9 1/4	4 3/8	Acton				47	5 1/8	5	5	− 1/8
3 3/8	11-16	Actn	wt			9	5/8	5/8	5/8	− 1/8
3 3/8	1 3/8	AdmRs			3	35	2 1/4	2	2	
25 1/2	15 7/8	AdRusl	.414	6	19	21	24 1/8	24	24	− 1/4
24 3/4	15	Adobe	.24	1.4	11	21	17 1/8	17	17	− 1/8
8 5/8	4 1/8	Aeronc			8	26	7 1/8	7 1/8	7 1/8	
25 3/4	16 5/8	AlHtsp	.44	2.9	7	18	17	16 3/4	16 7/8	
50 3/8	36 7/8	AlfPub	.80	1.6	13	8	43 3/4	43 3/4	43 3/4	− 1/2
9 5/8	6	AirExp			10	29	8 5/8	8 1/4	8 3/8	− 1/4
5 7/8	3 1/2	Alamco			2	41	3 7/8	3 3/4	3 7/8	+ 1/8
14 1/8	6 7/8	AlbaW	.15t		8	82	7 1/8	7	7 1/8	+ 1/8
9 3/4	6 1/4	Aloha	.48r	6.7	2	17	7 1/8	7 1/8	7 1/8	− 1/4
2	1/2	Altex				91	3/4	11-16	3/4	
1/8	1/8	Altex	wt			13	3-16	3-16	3-16	
34 3/8	28 7/8	Alcoa	pf3.75	12.	−	z400	31	31	31	
27	11	AlzaCp			51	1256	19 5/8	19 3/8	19 1/2	+ 1/2
20 3/4	9 1/2	Amdahl	.20	1.8	14	277	11	10 3/4	10 7/8	
17	6 7/8	Amedco	.08	1.1		93	7 1/8	6 7/8	7	− 1/4
6 5/8	4 3/8	AmBlt	.15	2.4	5	1	6 1/4	6 1/4	6 1/4	− 1/8
9 5/8	2 3/4	AmCap				6	5	5	5	
27	12 3/4	AExp	wt			370	22 1/8	20 3/4	21 1/4	− 1 1/4

Continued on Page 34

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 32

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
35 7/8	64	ZaleCp	1.32	4.7	9	6	27 7/8	27 1/2	27 7/8	+ 1/4
24 7/8	15 3/4	Zapata	.84	4.9	12	376	17 1/8	16 3/4	17 1/8	+ 1/8
49	28 3/4	Zayre	.40b	.9	12	1062	45 1/4	43 3/4	43 7/8	− 1 1/8
38 5/8	30	ZenithE			6	299	23 1/8	22 7/8	23	
27 5/8	18	Zero	.40	1.9	16	73	21 1/2	21 1/4	21 1/2	− 1/8
34	21 1/8	Zumin	1.32	5.2	11	55	25 1/2	24 7/8	25 1/8	+ 1/4

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

AUSTRIA

Nov. 14	Price Sch's	+ or —
Creditanstalt	218	−2
Goesser	326	−3
Interunfall	388	
Laenderbank	818	
Perlmooser	350	
Steyr Daimler	155	
Veitscher Mag.	244	

BELGIUM/LUXEMBOURG

Nov. 14	Price Frs.	+ or —
B.B.L.	1,810	+10
Bekaert B	4,500	−130
Ciment CBR	2,630	
Cockerill	296	−1
Delhaize	5,700	−100
EBES	2,800	+15
Electrobel	8,510	+10
Fabrique Nat	2,200	+5
GB Inno BM	3,155	+5
GBL (Brux)	2,315	−5
Gevaert	3,600	−10
Hoboken	6,200	−50
Intercom	2,150	−15
Kredietbank	7,450	
Pan Hldgs.	6,900	
Petrofina	7,330	−40
Royale Belge	10,000	
Soc. Gen. Banq	3,230	+30
Soc. Gen. Belge	1,760	−20
Sofina	8,150	
Solvay	4,345	−30
Stanwick Intl.	1,410	
Traction el.	4,100	−15
UCB	6,120	−30
Wagon Lits	2,490	−10

DENMARK

Nov. 14	Price Kr. %	+ or —
Andelsbanken	280	
Baltic Skand	565	
CopHandelsbank	275	
D. Sukkerfab	650	
Danske Bank	273	−1
De Danske Luft	1050	
East Asiatic	171	
Forenede Brygg	765	
Forenede Damp	102	
GNT Hldg	390	
I.S.S.B.	390	+11
Jyske Bank	605	−5
Novo Ind.	1,290	+20
Privatbanken	244	+1
Provinsbanken	238	+1
Smidth (F)	232	
Sophus Berend	910	
Superfos	451	−2

FRANCE

[illegible]

GERMANY

Nov. 14	Price Dm.	+ or —
AEG-Telef.	105.8	+0.8
Allianz Vers	1,040	−18
BASF	170	+1.5
Bayer	181.9	−0.7
Bayer-Hypo	315	−1
Bayer-Verein	327	−8
BHF-Bank	281	−1.5
BMW	374.7	−1.3
Brown Boveri	166	+3.2
Commerzbank	176.5	−0.3
Cont'l. Gummi	118.7	+0.2
Daimler-Benz	561.5	+0.5
Degussa	365.1	−2.4
D'sche Babcock	148.5	−3.8
Deutsche Bank	378	+11.5
Dresdner Bank	187.2	−0.8
GHH	155.5	+1.5
Hochtief	470	
Hoechst	177.5	+0.3
Hoesch Werke	106	−2
Holzmann (P)	382.5	−5.5
Horten	182	−0.5
Hussel	265	
Karstadt	245	−2.5
Kaufhof	232.5	−1.5
KHD	255.5	−1.5
Kloeckner	71.5	−1
Linde	361	−6.9
Lufthansa	179	+2
MAN	146.5	+0.3
Mannesmann	152.8	−0.7
Mercedes Hld	487	−2
Metallgesell	920.1	−9.4
Muench Rueck	1,170	+20
Nixdorf	534.8	+3.8
Porsche	997	+1
Preussag	262	+2.5
Rhein West Elect	166.7	−0.3
Rosenthal	255.7	−0.3
Schering	404	+0.5
Siemens	454	+1
Thyssen	82.8	+0.7
Varta	180	+3
Veba	168.5	+0.1
V.E.W.	121.1	−0.2
Verein-West	893	−1
Volkswagen	194.1	+0.6

ITALY

[illegible]

NETHERLANDS

[illegible]

NORWAY

Nov. 14	Price Kroner	+ or —
Bergens Bank	160	−2.5
Borregaard	309	−9
Christiania Bank	160	−2
DenNorske Cred	160	−2.5
Elkem	123.5	−5.6
Kvaerner	177.5	−0.5
Norsk Data	365	
Norsk Hydro	117.5xa	+1
Storebrand	167	

SPAIN

Nov. 14	Price Ptas.	+ or —
Bco Bilbao	319	−1
Bco Central	327	−3
Bco Exterior	202	
Bco Hispano	220	
Bco Popular	355	−9
Bco Santander	324	−1
Dragados	153	+1
Hidrola	73	−0.5
Iberduero	72.7	−0.3
Petroleos	132	+3.5
Telefonica	88.5	−0.5

SWEDEN

Nov. 14	Price Kronor	+ or —
AGA	341	−6
Alfa-Laval	170	−6
ASEA (Free)	364	+1
Astra (Free)	340	
Atlas Copco	97	+1
Cardo (Free)	220	−14
Cellulosa	116	
Electrolux B	215	
Ericsson	520	−10
Esselte	250	−10
Mo Och Domsjo	218	−7
Pharmacia	180	−1
Saab Scania Free	400	
Sandvik	370	+5
Skandia	295	−5
Skan Enskilda	63	−1
SKF	155	−2
St Kopparberg	155	−6
Sven Handelsbn	179	−2
Swedish Match	230	−2
Volvo B (Free)	901	−1

SWITZERLAND

Nov. 14	Price Frs.	+ or —
Alusuisse	760	
Bank Leu	3,710	−30
Brown Boveri	1,390	+6
Ciba Geigy	2,460	−20
do. (Part Certs)	1,960	−15
Credit Suisse	2,300	−6
Elektrowatt	2,520	
Fischer (Geo.)	610	
Hoff-RochePtCts	86,875	−625
Hoff-Roche 1/10	9,000	−50
Jacobs Suchard	6,125	+25
Jelmoli	1,900	
Landis & Gyr	1,548	
Nestle	5,300	−20
Oer-Buehrle	1,340	+15
Pirelli	243	−2
Sandoz (Br)	7,200	+100
Sandoz (PtCts)	1,145	+16
Schindler (PtCts)	631	−14
Sika	1,000	+10
Surveillance	3,685	−15
Swissair	1,010	−10
Swiss Bank	355	−1
Swiss Reinsce	7,750	
Swiss Volksbk	1,455	−10
Union Bank	3,500	−16
Winterthur	3,950	
Zurich Ins	18,025	+25

AUSTRALIA

Nov. 14	Price Aust. $	+ or —
ANZ Group	6.66	
Alliance Oil Dev.	1.05	+0.02
Ampol Pet.	1.85	−0.01
Ashton	0.87	
Aust Cons Ind.	1.97	
Aust. Guarantee	3.4	
Aust. Nat. Inds	2.62	−0.03
Aust. Paper	2.35	+0.91
Bell Group	6.6	
Bell Res.	5.36	+0.16
Bond Corp Hldgs	1.65	−0.05
Boral	3.28	−0.06
Bougainville	1.99	+0.03
Brambles Inds	3.54	+0.01
Bridge Oil	2.65	
B.H. Prop.	10.7	+0.1
CRA	6.46	−0.02
CSR	3.06	−0.03
Carlton Utd	4.30	
Castlemaine Tys.	6.06	
Coles (G.J.)	4.22	
Comalco "A"	2.58	−0.02
Consolidated Pet	0.59	+0.01
Costain Aust	1.35	
Dunlop Aust.	1.6	+0.02
Elders IXL	5.3	+0.1
Energ Res.	1.5	

AUSTRALIA (continued)

Nov. 14	Price Aust. $	+ or —
Gen Prop Trust	[illegible]	
Santos	6.36	+0.06
Smith (Howard)	3.66	
Thos. Nationwide	1.81	−0.02
Tooth	6.7	
Vamgas	3.55	
Western Mining	3.48	+0.05
Westpac Bank	4.02	−0.51
Woodside Petrol.	1.2	−0.01
Woolworths	9.79	+0.01
Wormald Intl	3.05	

HONG KONG

Nov. 14	Price H.K.$	+ or —
Bank East Asia	21.9	+0.1
Cheung Kong	8.65	+0.2
China Light	18.4	+0.3
Evergo	1.5	
Hang Seng Bank	38.5	+0.5
HK Electric	6.3	+0.15
HK Kowloon Wh.	4.37	+0.7
HK Land	3.52	+0.07
HK Shanghai Bk.	6.8	+0.05
HK Telephone	45.75	+1.25
Hutchison Wpa.	15.3	+0.4
Jardine Math.	7.85	+0.1
New World Dev.	4.12	+0.05
Orient O'seas	2.65	
Oseas Trust Bk.	2.6	+0.03
SHK Props.	7.3	+0.01
Shell Elect.	1.68	+0.08
Swire Pac A	19.5	+0.02
TV—B	4.9	+0.05
Wheel'k Mard A.	3.82	+0.2
Wheel'k M'time	1.46	
World Int. Hldgs.	1.43	+0.02

JAPAN

Nov. 14	Price Yen	+ or —
Ajinomoto	1,120	+10
Alps Electric	2,040	−40
Amada	1,130	+10
Asahi Chem.	671	
Asahi Glass	844	+93
Bridgestone	866	+1
Canon	1,520	−90
Casio Comp.	1,660	−10
Chugai Pharm.	1,020	−20
Citizen	698	+9
Daiei	640	
Dai Nippon Ptg	1,000	
Daiwa House	569	−1
Ebara	358	−19
Eisai	1,980	−20
Fanuc	11,550	+230
Fuji Bank	1,050	+40
Fuji Film	1,680	−10
Fujisawa	1,000	
Fujitsu	1,390	−10
Green Cross	1,630	−20
Hasegawa	385	−1
Heiwa Real Est.	667	−2
Hitachi	869	+10
Hitachi Credit	1,140	+10
Honda	1,250	−20
House Food	725	+5
Hoya	2,600	−30
Itoh (C)	300	+10
Ito Yokado	2,510	+20
Iwatsu	1,400	+40
JACCS	320	
JAL	5,500	+100
Jusco	749	−13
Kajima	274	−2
Kao Soap	790	+16
Kashiyama	638	+12
Kirin	539	+1
Kokuyo	935	−15
Komatsu	438	
Konishiroku	570	+2
Kubota	321	+1
Kumagai	444	
Kyoto Ceramic	7,600	+10
Maeda Const	470	
Makino Milling	1,310	+10
Makita	1,060	+40
Marubeni	302	−2
Marudai	572	−24
Marui	1,090	−10
MEI	1,590	+10
M'ta Elec Works	635	−5
M'bishi Bank	1,030	+30
M'bishi	514	
M'bishi Elec	414	+4
M'bishi Estate	486	−4

JAPAN (continued)

Nov. 14	Price Yen	+ or —
Orient Leasing	3,450	−90
Pioneer	2,280	−10
Renown	664	−10
Ricoh	680	−20
Sankyo	946	−5
Sanyo Elect.	514	−1
Sapporo	396	
Sekisui Prefab	575	−5
Seven-Eleven	8,890	−10
Sharp	1,070	
Shimadzu	750	+20
Shionogi	694	+9
Shiseido	1,140	−20
Sony	3,720	+70
Stanley	1,030	+50
S'tomo Bank	1,240	+60
S'tomo Elect	950	+24
S'tomo Marine	630	+7
S'tomo Metal	151	+1
Taihei Dengyo	495	−6
Taisei Corp	198	
Taisho Pharm	951	+21
Takeda	601	+1
TDK	4,690	+90
Teijin	401	+1
Teikoku	692	+7
Tokyo Marine	671	
TBS	827	−4
Tokyo Elect Pwr	1,390	+10
Tokyo Gas	168	
Tokyo Sanyo	712	−3
Tokyo Style	730	
Tokyu Corp.	277	−3
Toppan Print	901	−3
Toray	415	
Toshiba Elect.	498	+7
TOTO	600	+7
Toyo Seikan	866	+1
Toyota Motor	1,290	−10
Victor	1,950	−20
Wacoal	741	−4
Yamaha	661	+3
Yamanouchi	1,850	+30
Yamazaki	714	−11
Yasuda Fire	335	+5
Yokogawa Bdge.	412	+5

SINGAPORE

Nov. 14	Price $	+ or —
Boustead Hldgs.	1.74	+0.02
Cold Storage	9.79	+0.03
DBS	5.9xa	+0.45
Genting	4.84	+0.14
Haw Par. Bros.	1.93	−0.61
Hong Leong Fin.	2.94	+0.04
Inchcape Bhd.	2.39	+0.84
Keppel Shipyard	2.79	
Malay Banking	6.55	+0.1
Malay Utd. Ind.	2.27	+0.91
Multi Purpose	0.91	+0.01
OCBC	8.65	+0.1
OUB	6.74	
Public Bank	1.7	+0.02
Sime Darby	1.66	+0.90
Straits Trdg	4.6	+0.02
Tat Lee Bk.	2.65	−0.91
UOB	4.94	+0.04

SOUTH AFRICA

Nov. 14	Price Rand	+ or —
Abercom	1.48	+0.01
AE&CI	7.7	
Anglo Am Coal	38	+1.7
Anglo Am Corp	24.85	+0.50
Anglo Am Gold	170	−2
Barclays Bank	17.0	
Barlow Rand	10.65	−0.15
Buffels	81.5	−0.8
CNA Gallo	2.30	
Currie Finance	4.2	+0.15
De Beers	8.85	−0.02
Driefontein	65.25	+1.4
FS Geduld	60.5	+3.5
Gold Fields SA	30.25	+0.25
Highveld Steel	4.10	
Nedbank	12.2	−0.05
OK Bazaars	14.5	+0.8
Protea Hldns	1.7	+0.06
Rembrandt	26.75	+0.25
Rennies	13.0	
Rusl Plat	16	+0.75
Sage Hldgs	7.05	−0.05
SA Brews	6.35	
Smith (CG)	20.5	+0.5
Tongaat Hulett	8	+0.05
Unisec	4.4	+0.1

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

CANADA

TORONTO
Prices at 2.30pm November 14

[illegible]

Total sales 8,544,541 shares

MONTREAL
Closing prices November 13

[illegible]

Total sales: 1,381,005 shares

OVER-THE-COUNTER *Nasdaq national market, 2.30pm prices*

[illegible]

LONDON

Chief price changes
(In pence unless otherwise indicated)

RISES

Burton	384	+11
Cope Allman	120	+7
Distillers	298	+8
Gen. Accident	493	+8
Hambro Life	423	+13
Harrison (TC)	72	+23
Media Tech	144	+6
Quest Auto	78	+18
Royal Insce	498	+8
Samuelson	930	+30
SEET	183	+11
Smiths Inds	665	+17
Staveley Inds	290	+10
TI	218	+12
Websters	134	+44
Youghal Carpets	12	+3
BP	493	+8
LASMO	358	+18
Saxon Oil	380	+15
Tricentrol	216	+6

FALLS

Ex 10½% 97	£101⅛	−1⅝
Bank of Ireland	270	−10
Blue Circle	485	−10
Gent (S R)	166	−10
Heath (CE)	470	−12
Johnson, Matth.	122	−18
Lex Service	320	−28
Plessey	226	−4
Renold	48	−7
Rowntree Mack	360	−8

Continued on Page 42

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 33

[illegible]

Indices

NEW YORK — DOW JONES

[illegible]

STANDARD AND POORS

[illegible]

N.Y.S.E. ALL COMMON

[illegible]

RISES AND FALLS

[illegible]

TORONTO

[illegible]

* Indicates pre-close figure

LONDON STOCK EXCHANGE

MARKET REPORT

Markets display resilience to adverse U.S. trends as profit-taking is resisted

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Oct 29	Nov 8	Nov 9	Nov 19
Nov 12	Nov 22	Nov 23	Dec 3
Nov 26	Dec 6	Dec 7	Dec 17

* "New-time" dealings may take place from 9.30 am two business days earlier.

Some of the sparkle went out of London equities yesterday, but leading shares refused to react significantly from their current record levels. Traders were impressed by the performance as the temptation to realise profits was considerable in the light of Wall Street's fresh setback overnight.

The worsening outlook for the U.S. Budget deficit as the pace of economic growth slows coupled with revived concern over the trend of short-term interest rates and a stronger dollar were the factors responsible for the depression in American financial markets.

London dealers naturally assumed that these developments would encourage profit-taking after the recent heady rise. Instead of flushing out sellers, the lower prices encouraged buyers and both equity and Gilt-edged values spent the session recovering steadily. The looming presence of the massive British Telecom issue was a strong supporting factor.

Institutional investors were very selective in their approach. One or two fund managers directed money towards recently-beleaguered engineering group TI and the response was swift. Speculative interest was attracted, which gave rise to talk of takeover possibilities, and TI gained 12 to 218p. Distillers, 8 up at 298p, were another outstanding constituent of the FT Industrial Ordinary share index but Blue Circle contrasted with a fall of 10 to 485p. The index closed only 0.6 off at 923.7 after having been 6.6 lower at the first calculation of the day.

Government securities reduced opening losses, extending to ¼, in similar trading circumstances. Dealers in short-dated stocks ran into a flurry of early demand and, with sellers reluctant, prices rallied before easing again late. Business in the longs was lighter than recently but in this area too final losses were marginal.

Hambro Life jump

Hambro Life highlighted Insurances, closing 32 higher at 442p on speculation that Charterhouse J. Rothschild had sold its near-25 per cent stake in Hambro to Bats; CJR closed 4 better at 90p. Elsewhere, poor third-quarter figures from Commercial Union had been widely forecast, but the announcement of a £30.6m deficit due to a worldwide underwriting loss of £282.5m, still disappointed. Nevertheless, the absence of a much-mooted rights issue helped stabilise the shares which, after touching 169p, rallied to close a penny harder on the day at 173p. CU's recovery was also helped by news later of the £5.5m profit attained by General Accident over the same nine-month period, which left the latter 8 higher at 493p, after 498p. Royals, which reports today, advanced 8 to 498p, after 500p, while GRE, 660p, and Sun Alliance, 405p, hardened 2 apiece. Among Lloyds Brokers, C. E. Heath came on offer at 470p, down 12p; the interim results are scheduled for next Tuesday.

Irish banks retreated and Allied Irish ended 3 down at 125p, after 120p, following news of the 7 per cent decline in interim earnings. Bank of Ireland lost 10 in sympathy to 270p, after 265p, ahead of today's first-half figures. Home banks rallied well after a dull start, but the volume of business was small. Around 8 easier at the outset, Barclays and Lloyds both recovered to close at the common overnight level of 538p.

Among recently-issued equities, Medlo Technology International attracted fresh buyers and gained 6 to 144p compared with the placing price of 117p.

An otherwise lacklustre drinks sectors featured Distillers which attracted sizeable after-hours' support and closed 8 dearer at 298p.

The Building sector turned easier in the face of scrappy selling. Blue Circle encountered profit-taking and fell 10 to 485p, but falls among other leading issues were confined to a few pence. Redland eased 4 to 296p and BPB Industries slipped 3 to 297p; both companies reveal interim results at the end of the month. Against the trend, Tarmac hardened a couple of pence to 514p and RMC gained a like amount to 408p. Elsewhere, Barratt Developments touched 92p prior to closing unchanged at 90p: the Kuwait Investment Office has increased its stake to 7 per cent.

ICI opened easier at 666p on Wall Street influences and subsequently moved narrowly prior to settling a couple of pence cheaper on the day at 668p. An investment recommendation in the wake of the excellent interim results helped Amersham International firm 4 more to 326p.

Burton respond afresh

The favourable reception afforded the preliminary results aroused fresh enthusiasm for Burton, which touched 387p before settling a net 11 to the good at 384p. Other Store leaders moved irregularly, however. Habitat Mothercare rose 8 to 374p, after 376p, while Raybeck, neglected in recent months, found occasional support and improved 3 to 31p. Marks and Spencer, on the other hand, encountered offerings and shed a few pence to 125p, while major M and S supplier S. R. Gent reacted 18 to 166p as brokers downgraded their profits forecasts.

Secondary Stores made fresh progress, although most closed a shade below the best levels. J. Hepworth touched 438p before settling at 435p, a gain of 5, while Harris Queensway firmed 6 to 202p, after 204p. Northern Goldsmiths, 196p, and Vantona Viyella, 250p, advanced 6 apiece. Reports of buoyant record and tape sales lifted Our Price 5 more to 290p.

Leading Electricals drifted lower as interest waned. Plessey, awaiting today's second-quarter figures, reacted 4 to 226p, while Racal closed the same amount easier at 282p. BICC gave up 5 at 340p as did Thorn EMI, at 475p. Elsewhere, Quest Automation jumped 18 to 78p on details of lucrative computer agreements. George H. Scholes rose 10 to 385p awaiting news from the annual meeting, while improvements of 10 and 20 respectively were seen in Goring Kerr, 380p, and Air Call, 450p. MK, well supported recently ahead of the interim results, scheduled for next Wednesday, encountered profit-taking and cheapened 7 to 328p.

Apart from the activity in TI, interest remained at a fairly low level in the Engineering sector. Vickers, however, attracted some support and recovered from 194p to 197p before settling 2 cheaper on the day at 196p. Elsewhere, Renold fell 7 to 48p as the recovery in half-year profits failed to impress. Staveley, on the other hand, rose 10 to 290p awaiting today's interim statement. Revived demand lifted Laird Group 6 to 143p, while Spear and Jackson rose 8 to 144p. Comment on the interim figures prompted a reaction in GEI International to 84p before a close of 4 lower on balance at 88p.

Tesco's interim profits failed to meet the market's most optimistic estimates and the price reacted to 209p prior to closing a net 3 cheaper at 212p. Other Food Retailers also eased, J. Sainsbury losing 4 to 286p and Associated Dairies 2 to 156p. Kwik Save shed 4 to 174p awaiting today's annual results. Apart from Rowntree Mackintosh, down 6 more at 380p in the absence of any bid development, Food Manufacturers continued to trade firmly. Northern Foods hardened a couple of pence to 202p, as did Associated British Foods, to 194p. Tate and Lyle, down to 418p initially, picked up to close 3 dearer on balance at 423p. Elsewhere, Slaters shed 3 to 88p following reduced interim profits. Batleys of Yorkshire encountered small selling and gave up 6 to 70p, but Needlers added 3 to 88p in response to newsletter comment.

In the Hotels sector, Ryan Hotels, in which Belhaven recently increased its holding to 23.78 per cent, gained 2 to 21p.

Smiths Inds. good

Preliminary profits at the top end of market expectations, accompanied by a proposed share split and capitalisation issue, prompted renewed strength in Smiths Industries which touched a new high for the year of 670p before closing 17 up on the day at 665p. Johnson Matthey, in contrast, dipped to 118p before closing above the worst at 122p, down 18, following interim results which proved to be much worse than anticipated. Elsewhere in the miscellaneous industrial sector, Cope Allman, helped by acquisition news, improved 7 to 120p, but LCP, 92p, and Robert Moss, 106p, both closed around 3 cheaper following half-year figures. Stag Furniture found support at 70p, up 6, while revived demand lifted Pentland Industries 5 to 262p. Wade Potteries, reflecting the increased interim dividend and profits, rose 5 to 89p. Hoskins and Horton settled a couple of pence lower at 265p after the revised bid from Scottish Heritable Trust. Polly Peck, a good market of late, encountered profit-taking and ran back to 242p before recovering to close only 3 off on balance at 247p. Leading issues rallied from a dull start to close with minor losses on the day.

Further demand in a restricted market left Samuelson Group 30 higher at 930p. Among television issues, Ulster firmed 5 to 100p, but LWT A shed 3 to 267p awaiting today's annual results.

Attention in the Motor sector, recently centred on Components, switched to Distributors. Lex Service were an early casualty and fell 28 to 320p as several brokers downgraded their profits forecasts following a meeting with the company on Tuesday. Ford main dealers T. C. Harrison, on the other hand, were marked up 23 to 72p, a couple of pence below the cash offer from the chairman and certain directors of the company.

Octopus Publishing provided an early surprise yesterday by announcing terms for the acquisition of printing and home computer software group Websters; the latter spurted 44 to 134p, a fraction below the agreed share-and-cash offer. Octopus, a rising market recently, closed another 25 to the good at 800p. Also on the takeover front, East Lancashire Paper, which issued a further rejection to the bid from British Syphon, advanced 5 to 93p, after 96p, on news that G. M. Firth, a fraction harder at 27½p, has acquired a 6.4 per cent stake in East Lancashire.

The Property leaders drifted gently lower owing to a lack of interest. British Land cheapened 2 to 142p, while Great Portland Estates lost the same amount awaiting today's half-timer. Elsewhere, the beleaguered Espley Trust held steady at 15p following news that Mr Ron Shuck's Consult International had withdrawn its 35p per share bid. Stewart Nairn shed a penny to 18p on the annual loss and agreed acquisition of Pensbury Holdings, a UK property development concern, for £800,000.

Textiles highlighted Scottish English and European which advanced 11 to 153p following a resurgence of speculative support. Ireland's Youghal Carpets, a dull market since last month's disappointing first-half statement, attracted fresh demand and rallied 3 to 12p.

BP gain ground

Leading Oils opened a few pennies easier following renewed weakness in spot prices but quickly regained their poise and closed with good gains on balance. BP, initially marked down to 483p, rallied well to close 7 firmer at 493p ahead of the third quarter results due today, while LASMO remained a strong market amid persistent bid rumours and advanced 18 more to a year's high of 358p—a two-day jump of 28.

Other good performers included Tricentrol which moved up 6 to 216p; third quarter results are expected a week today.

Saxon Oil highlighted secondary issues, improving 15 to 380p on revived speculative interest.

Golds up again

South African Gold shares shrugged off an initial mark down, which reflected the decline in bullion prices, and quickly resumed their recent uptrend.

After the early weakness, which was accompanied by a marginal decline in the Rand rate against the dollar, a marked absence of selling pressure and a gradual pick up in buying interest from Johannesburg saw quotations improve throughout the rest of the session and close with substantial gains across the board.

The Gold Mines index, registering its eighth improvement in the past nine trading days, advanced 12.6 more to 578.2—its best level since October 3. Bullion, on the other hand, remained under light pressure all day and closed a net $5 lower at $345.75 an ounce.

South African Financials mirrored the trend in Golds with "Amcoal" a notable feature and finally ¾ to the good at £17 following the 28 per cent jump in interim profits and the increased interim dividend.

Rio Tinto-Zinc, a strong market recently, encountered profit-taking and fell to close 11 cheaper at 634p, while the easier trend in bullion left Consolidated Gold Fields 9 off at 508p. Charter Consolidated dipped 5 to 223p following the acutely disappointing results from the 27.9 per cent-owned Johnson Matthey.

Traded Option volume declined from Tuesday's level, but total contracts struck yesterday still amounted to a respectable 5,196. Jaguar were again lively with 554 calls done, 279 in the December 200s, while Lasmo attracted 721 calls and 122 puts.

FINANCIAL TIMES STOCK INDICES

	Nov. 14	Nov. 13	Nov. 12	Nov. 9	Nov. 8	Nov. 7	Year ago
Government Secs	83.29	83.43	83.37	82.81	82.62	82.82	83.52
Fixed Interest	85.14	85.17	85.87	85.55	85.49	85.60	85.87
Industrial Ord	923.7	924.3	914.7	900.1	893.0	894.1	722.8
Gold Mines	578.2	565.5	552.5	565.4	562.5	541.4	581.3
Ord. Div. Yield	4.63	4.63	4.67	4.73	4.76	4.79	4.73
Earnings, Yld.% (full)	11.14	11.14	11.13	11.55	11.32	11.34	0.41
P/E Ratio (net) (*)	10.75	10.75	10.79	10.65	10.56	10.58	13.27
Total bargains (Est.)	20,320	22,537	24,250	21,682	21,063	21,042	19,643
Equity turnover £m.	—	380.35	294.99	377.41	514.31	312.51	239.7
Equity bargains	—	12,880	12,574	23,662	15,942	17,350	17,292
Shares traded (mil)	—	206.5	179.2	525.5	171.2	156.3	158.0

10 am 917.7. 11 am 920.2. Noon 922.3. 1 pm 923.3. 2 pm 923.4. 3 pm 922.2.

Basis 100 Govt. Secs. 15/2/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/9/55. SE Activity 1974. Latest Index 01-246 8026.

* Nil=10.33.

HIGHS AND LOWS

	1984 High	1984 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs	83.77 (9/1)	75.72 (30/7)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	87.48 (14/3)	80.43 (30/7)	155.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	924.3 (13/11)	755.3 (23/7)	924.3 (13/11/84)	49.4 (26/6/40)
Gold Mines	711.7 (6/3)	485.7 (1/8)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Nov. 13	Nov. 12
Daily Gilt Edged Bargains	167.2	176.2
Equities Bargains	192.3	195.6
Equities Value	768.6	696.2
5-day Average Gilt Edged Bargains	199.3	173.8
Equities Bargains	126.8	199.4
Equities Value	575.0	661.9

NEW HIGHS AND LOWS FOR 1984

NEW HIGHS (101)

BRITISH FUNDS (1)
COM'WEALTH & AFRICAN LOANS (1)
LOANS (3)
FOREIGN BONDS (1)
BANKS (1)
BREWERS (1)
BUILDINGS (1)
CHEMICALS (1)
STORES (2)
ELECTRICALS (6)
ENGINEERING (7)
FOODS (2)
HOTELS (2)
INDUSTRIALS (20)
INSURANCE (2)
LEISURE (2)
MOTORS (1)
NEWSPAPERS (3)
PAPER (5)
PROPERTY (3)
TEXTILES (6)
TRUSTS (19)
OILS (3)
OVERSEAS TRADERS (1)
MINES (2)

NEW LOWS (18)

AMERICANS (1) MidCon Corp.
BANKS (1) Allied Irish Bank
BREWERS (1) Invergordon Dists.
STORES (3) Goodman Bros., Sumrie Clothes, Home Charm
ELECTRICALS (2) 55R Intl., Systems Reliability
ENGINEERING (1) Danks Gowerton
INDUSTRIALS (4) Alfa-Laval AB B, Bridgend Processes, Anglo Nordic, Dwek
INSURANCE (1) Torchmark
LEISURE (1) Riley Leisure
TRUSTS (1) Neslt S.A.
OILS (1) Moray Firth
PLANTATIONS (1) Applied Botanics

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	7	53	44
Corpns. Dom. & Foreign Bonds	13	17	48
Industrials	283	290	842
Financial & Props.	112	102	314
Oils	35	23	88
Plantations	3	4	10
Mines	83	31	86
Others	56	69	83
Totals	571	589	1,486

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1984 High	1984 Low	Stock	Closing price p	+or-	Net Div.	Times covered	Gross Yield	P/E ratio
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Addison Comms. 5p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Aldo...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Appledore (A.&P.) 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Breakmate 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	CVD Inc $0.01	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Checkpoint Europe	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Croton Lodge 1p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Domin'n Int. High Inc.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Do. Warrants	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Forgebrook 20p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Gabicci 5p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Howtal Whiting 5p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Health Care Srvic's 5p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Iceland Frozen F. 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Instem 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Klark Teknik 5p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Media T'nology 20p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Monument Oil 5p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Nidacro 20p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Paul Michael L'w 5p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Plasmec 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Second Market Inv. 50c	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Share Drug 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Stone Intl. 20p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	T. & S. Stores 5p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	UDO Hldgs. 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Wates City of Lon. Prop.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Wessanen Kon. DFl.25	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1984 High	1984 Low	Stock	Closing price £	+or-
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	African Dev. Bank 11½% Ln. 2010	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Cambridge Water 8% Red. Prf. 1988	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Do. 10% Red. Deb. 2004	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Elswick-Hopper 8% Cv. Cum. Pf.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Estate Prop. Inv. 10½% Cnv. 94 26	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	European Inv. Bk. 10⅝% Ln. 2004	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Folkestone Water 11¾% Red. Deb.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1984 High	1984 Low	Stock	Closing price p	+or-
[illegible]	Nil	[illegible]	[illegible]	[illegible]	Attwoods	[illegible]	[illegible]
[illegible]	Nil	[illegible]	[illegible]	[illegible]	Baynes (Charles) 10p	[illegible]	[illegible]
[illegible]	Nil	[illegible]	[illegible]	[illegible]	Cambrian & General	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Do. Cap 7½p	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	CASE 20p	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Renishaw 5p	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Sovereign Oil	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Television Services 50p	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Tope Ests. 10p	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. C Canadian. F Dividend and yield based on prospectus or other official estimates for 1985. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ▮ Allotment letters (or fully-paid). ‖‖ Introduction. ✠ Unlisted Securities Market. § Placing price. † Figures assumed. †† Official London Listing. Shares of no par value.

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Allied Irish Banks	125	−3
Burton	384	+11
Commercial Union	173	+1
GEI International	88	−4
General Accident	493	+9
GRE	660	+2
Hambro Life	423	+13
Lex Service	320	−28
LASMO	358	+19
P. & O. Deferred	298	+3
Smiths Industries	665	+17
TI	218	+12

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Nov 5	Nov 16	Feb 7	Feb 18
Nov 19	Nov 30	Feb 21	Mar 4
Dec 3	Dec 14	Mar 7	Mar 18

For rate indications see end of Share Information Service

Stocks favoured for the call included Birmid Qualcast, Cifer, Osceola, Aran Energy, General Oriental, Sun Oil, Strong and Fisher, Dunlop and Charterhall. Puts were done in Dunlop, Selincourt and Oliver Prospecting, while a double was transacted in Dunlop.

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Tues. close	Day's change
Cable & Wire	25	360	+13
Glaxo	19	£10⅞	—
Saatchi & Saatchi	12	855	+25
Strong & Fisher	19	138	−28
Oxford Instr.	15	283	+9
P. & O. Dfd.	15	295	+9
GUS A	14	655	+4
RTZ	14	645	+10
BTR	13	335	+9
Burmah Oil	13	203	+2
Burton	13	373	−1
De La Rue	13	758	+19
Lucas Inds	13	255	−5
Marks & Spen	13	128	+3

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed Nov 14 1984 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues Nov 13 Index No.	Mon Nov 12 Index No.	Fri Nov 9 Index No.	Thur Nov 8 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (205)	556.28	−0.5	9.26	3.63	13.52	558.82	555.47	548.45	543.95	453.35
2	Building Materials (23)	516.07	−0.7	12.49	4.70	9.92	519.79	516.60	508.54	501.48	439.81
3	Contracting, Construction (30)	723.51	−0.1	13.33	5.41	9.56	724.21	721.54	714.33	709.84	679.40
4	Electricals (14)	1593.39	−0.4	10.33	4.73	12.14	1600.01	1579.82	1561.95	1553.38	1679.25
5	Electronics (34)	2034.24	−0.7	6.93	2.08	18.50	2049.05	2037.18	2012.30	1997.95	0.0
6	Mechanical Engineering (61)	267.31	+0.5	12.22	4.74	9.80	265.87	265.58	262.19	261.61	192.92
8	Metals and Metal Forming (9)	168.26	−1.9	13.61	7.79	9.21	171.55	170.01	169.64	165.43	157.06
9	Motors (17)	138.61	−1.4	9.74	4.88	—	140.52	140.48	135.72	134.46	110.60
10	Other Industrial Materials (17)	767.33	—	6.37	3.53	19.43	767.44	758.34	751.61	744.51	549.19
21	CONSUMER GROUP (190)	577.02	−0.4	10.11	4.00	12.14	579.39	573.99	567.02	563.66	447.12
22	Brewers and Distillers (23)	552.58	+0.5	11.82	4.59	10.35	549.90	541.26	534.96	534.12	448.86
25	Food Manufacturing (21)	456.96	−0.5	12.39	4.88	10.07	459.11	455.91	448.65	445.14	352.63
26	Food Retailing (12)	1345.87	−1.2	7.09	2.52	18.72	1362.25	1359.97	1335.43	1313.72	1030.46
27	Health and Household Products (9)	951.61	+0.3	6.00	2.77	19.71	949.19	943.46	934.06	938.70	723.75
29	Leisure (23)	635.49	−0.5	8.54	4.83	15.24	638.70	632.59	626.66	618.44	584.07
32	Newspapers, Publishing (13)	1328.27	−0.7	9.15	4.78	14.20	1337.81	1322.44	1318.77	1314.05	963.23
33	Packaging and Paper (14)	265.55	−0.5	13.66	5.32	8.52	266.79	265.93	262.80	260.86	198.35
34	Stores (46)	529.40	−0.4	8.36	3.46	15.79	531.78	524.15	518.34	512.35	415.52
35	Textiles (19)	292.14	—	13.18	4.70	8.75	292.21	291.07	287.54	288.13	226.78
36	Tobaccos (3)	726.31	−1.8	17.31	5.27	6.43	739.54	734.35	725.65	724.99	464.71
39	Other Consumer (7)	497.03	−0.9	13.65	4.95	—	501.31	500.66	494.99	495.38	440.89
41	OTHER GROUPS (88)	505.01	−0.1	9.96	4.15	12.52	505.45	501.19	495.63	494.50	398.25
42	Chemicals (17)	669.70	−0.1	13.27	4.73	9.62	670.69	670.75	665.77	662.84	569.39
44	Office Equipment (4)	139.77	−0.5	8.19	5.53	13.86	140.53	140.75	137.14	136.83	111.49
45	Shipping and Transport (13)	925.45	+0.6	9.19	5.25	13.89	920.15	907.53	899.59	903.75	792.53
46	Miscellaneous (54)	710.11	−0.1	7.86	3.44	15.48	710.95	700.71	691.58	690.27	516.61
49	INDUSTRIAL GROUP (483)	565.41	−0.4	9.82	3.91	12.61	567.51	562.90	556.07	552.71	446.41
51	Oils (17)	1096.08	+0.7	15.88	6.84	7.79	1088.69	1090.34	1089.74	1090.65	947.09
59	500 SHARE INDEX (500)	609.74	−0.2	10.75	4.36	11.52	611.02	606.95	600.67	597.68	488.34
61	FINANCIAL GROUP (117)	409.38	+0.1	—	5.40	—	408.89	404.74	401.29	398.56	351.58
62	Banks (6)	420.96	−0.2	20.39	6.87	6.12	421.77	417.84	414.57	412.38	361.98
63	Discount Houses (6)	471.82	−0.9	—	6.49	—	476.15	477.55	477.23	460.32	339.73
65	Insurance (Life) (9)	526.66	+1.1	—	5.15	—	520.80	512.92	504.60	500.17	482.73
66	Insurance (Composite) (7)	296.37	+1.0	—	6.30	—	293.56	286.15	285.10	283.23	245.91
67	Insurance (Brokers) (6)	835.99	−0.7	9.81	4.10	15.46	842.12	836.84	828.17	820.87	614.78
68	Merchant Banks (12)	208.69	+0.6	—	5.00	—	207.47	202.87	199.84	201.40	211.45
69	Property (54)	627.24	−0.5	5.16	3.50	26.19	629.16	630.24	625.73	619.14	495.84
70	Other Finance (17)	251.06	−0.9	11.97	6.12	10.18	253.28	252.44	250.99	250.33	258.31
71	Investment Trusts (105)	550.19	+0.1	—	3.51	—	549.75	547.35	543.99	543.40	451.74
81	Mining Finance (4)	292.95	−1.8	10.60	5.18	11.91	298.18	293.55	289.57	298.38	271.11
91	Overseas Traders (14)	592.43	−0.7	9.87	6.53	12.41	596.70	593.67	593.29	593.12	468.76
99	ALL-SHARE INDEX (740)	558.10	−0.2	—	4.51	—	559.09	555.05	549.61	546.94	453.98
		Index No.	Day's Change	Day's High	Day's Low						
	FT-SE 100 SHARE INDEX	1181.5	−2.2	1182.4	1175.6	—	1183.7	1175.1	1164.2	1158.3	

FIXED INTEREST

	PRICE INDICES	Wed Nov 14	Day's change %	Tues Nov 13	xd adj. today	xd adj. 1984 to date
	British Government					
1	5 years	118.26	−0.03	118.30	—	10.53
2	5-15 years	132.82	−0.07	132.91	—	12.20
3	Over 15 years	141.59	−0.18	141.85	—	12.18
4	Irredeemables	152.70	−0.20	153.01	—	13.34
5	All stocks	130.78	−0.08	130.88	—	11.72
6	Debentures & Loans	118.13	−0.27	118.42	—	10.19
7	Preference	77.16	+0.17	77.05	—	6.31
	BRITISH GOVERNMENT INDEX-LINKED STOCKS					
8	All stocks	109.10	−0.14	109.25	—	2.44

	AVERAGE GROSS REDEMPTION YIELDS		Wed Nov 14	Tues Nov 13	Year ago (approx.)
	British Government				
1	Low	5 years	10.40	10.38	9.52
2	Coupons	15 years	10.10	10.10	9.67
3		25 years	9.76	9.74	9.61
4	Medium	5 years	10.80	10.79	10.79
5	Coupons	15 years	10.49	10.46	10.45
6		25 years	9.92	9.89	9.95
7	High	5 years	10.83	10.82	10.91
8	Coupons	15 years	10.66	10.64	10.66
9		25 years	10.05	10.02	10.06
10	Irredeemables†		9.57	9.55	9.59
11	Debs &	5 years	11.63	11.59	11.51
12	Loans	15 years	11.64	11.59	11.53
13		25 years	11.45	11.41	11.54
14	Preference		12.74	12.76	12.25
15	Inflation rate 5%		3.32	3.31	3.12
16	Inflation rate 10%		3.15	3.14	2.93

†Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

EUROPEAN OPTIONS EXCHANGE

Series	Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	May Vol.	May Last	Stock
GOLD C $350	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	$346.20
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TOTAL VOLUME IN CONTRACTS: 20,471

A=Ask B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Option		Calls Jan.	Calls Apr.	Calls Jly.	Puts Jan.	Puts Apr.	Puts Jly.
B.O. (*485)	390	115	125	—	3	5	—
	420	85	92	—	4	7	—
	460	48	68	92	10	17	26
	500	26	32	42	83	36	40
	550	7	18	—	53	70	—
Cons. Gold (*514)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Courtaulds (*127)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Com. Union (*173)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
G.E.C. (*204)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Grand Met. (*315)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
I.C.I. (*668)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Land Sec. (*310)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Marks & Sp. (*126)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Shell Trans. (*665)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Trafalgar Ho. (*311)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Option		Calls Nov.	Calls Feb.	Calls May	Puts Nov.	Puts Feb.	Puts May
BAT Inds. (*258)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Barclays (*537)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Imperial Gp. (*171)	140	32	35	40	1	8	4
	160	19	17	22	1	4	7
	180	2	8	15	10	15	18
LASMO (*358)	280	72	88	—	2	5	—
	300	58	70	78	8	11	15
	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Lonrho (*159)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
P. & O. (*292)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Racal (*284)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
R.T.Z. (*636)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Vaal Reefs (*107)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Option		Calls Dec.	Calls Mar.	Calls June	Puts Dec.	Puts Mar.	Puts June
Beecham (*365)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Boots (*181)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
De Beers (*$6.10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Guest Keen (*186)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Hanson (*257)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Jaguar (*214)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tesco (*211)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
FT-SE Index (*1182)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Nov. 14. Total Contracts 5,196. Calls 3,995. Puts 1,201.

* Underlying security price.

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1984 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
105¾	101 1/16	Treas. 15pc 1985	101 ⅛	−1/32	14.82	9.82
102¼	100	Exch. 12pc Cnv. '85	100¼	−1/16	11.91	9.74
96¼	95 3/16	Treas 3pc 1985	96 11/16 xd	−1/16	3.10	9.82
102⅞	99½	Treas 11½pc 1985	101 1/16	−1/16	11.38	9.71
99½	96 3/16	Treas 8¼pc Cnv '85	99 3/16	−1/16	8.82	9.76
104 3/16	97⅝	Exch. 12¼pc 1985	102 3/16 xd	−1/16	11.97	9.82
103 11/16	99 1/16	Exch. 11¼pc '86	102 3/16	−1/16	11.50	9.79
102 3/16	96 1/16	Treas. 10pc Cnv 1986	100 3/16	....	9.97	9.74
92¼	88¼	Treas 3pc 1986	92 1/16 xd	−1/16	3.25	8.65
102	96¼	Exch. 10½pc Cv '86	100¼ xd	.....	10.42	9.99
104 3/16	99 1/16	Treas 12pc 1986	102 13/16 xd	....	11.67	10.06
98¼	93½	Treas 8½pc 1984-86‡‡	97 3/16	−⅛	8.71	10.11
108 11/16	102 1/16	Exch. 14pc 1986	106 3/16	.....	13.14	10.20
88	85	Exch. 2½pc 1986	88xd	.....	2.84	9.15
107 11/16	100 13/16	Exch. 13¼pc 1987	105 3/16	−⅛	10.29	10.41

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked

INT. BANK AND O'SEAS GOVT STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Building Societies

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

1984 High	Low	Stock	Price £	+ or −	Div Gross	C'vr	Y'ld Gr's
[illegible]	26⅞	Abbott Labs.	33⅛	−⅛	[illegible]	—	2.9
[illegible]	11⅝	Ahmanson (H.F.)	19⅝	−⅛	[illegible]	—	4.9
[illegible]	22⅛	Alcoa $1	30	+1⅛	[illegible]	—	5.2
[illegible]	21⅛	Allied Corp $1	27xd	−½	[illegible]	—	5.4
[illegible]	13⅛	Amax $1	14¼xd	+¼	[illegible]	—	1.1
11	731p	Amdahl 5c	858p	+16	[illegible]	—	1.9
32	10⅝	Amer. Express $0.60	28¼	−¼	[illegible]	—	3.7
[illegible]	14½	Amer Medical Int $1	17⅛xd	−⅛	[illegible]	—	2.8
31⅝	20⅝	Amer. Nat. Res. $1	29⅛	+¼	[illegible]	—	3.9
[illegible]	10⅝	American T. & T. $1	14¼	..	[illegible]	—	6.6
[illegible]	43⅜	Ameritech $1	57¼	+⅛	[illegible]	—	8.4
[illegible]	15½	Amfac‡	18⅝	+⅛	[illegible]	—	6.4
30⅞	16½	♦AridTech‡	29⅞	....	—	—	—
16¼	10⅛	Bankamerica $1 9/16	14¼xd	....	[illegible]	—	0.3
44¼	27½	Bankers N.Y. $10	42	..	[illegible]	—	4.7
66¼	46⅛	Bell Atlantic $1	60¼	+¼	[illegible]	—	8.5
28¼	19½	Bellsouth $1	25xd	..	[illegible]	—	8.4
20⅞	12⅞	♦Beth Steel $8	13⅜	−⅛	[illegible]	—	3.5
20¼	11⅞	Bowater Inc.	16⅝	.....	[illegible]	—	3.5
32¼	19⅝	Brown'g-Fer. 16⅔c	29⅛	+⅛	[illegible]	—	2.7
28¼	16⅝	Brunswick Corpn.‡	26⅞	..	[illegible]	—	2.4
875p	534p	♦Business Computer	544p	...	—	—	—
32⅞	24⅛	CPC Intnl. 25c	31⅞xd	+½	[illegible]	—	5.6
13⅛	10⅝	CalFed Inc $1.00	12⅛	−⅞	[illegible]	—	2.5
58½	39⅛	Campbell Soup 60c	54½	+½	[illegible]	—	5.4
36½	24⅛	Caterpillar Tractor‡	26¼	+⅛	[illegible]	—	1.5
37¼	27¼	Chase M'htn $12.5	34⅞xd	+¼	[illegible]	—	8.6
26½	17⅛	Chemical New York	24¼	−¼	[illegible]	—	7.9
31¼	22⅞	Chesebrough-Pond's $1	29¼	.....	[illegible]	—	5.3
27½	15½	Chrysler $6¼	23⅛	...	[illegible]	—	2.1
31½	19⅞	Citicorp $4	28¼	...	$2.06	—	5.9
34⅛	21⅞	City Inv. $1.25	32½	...	$2.00	—	5.0

CANADIANS

BANKS, HP AND LEASING

Hire Purchase, Leasing, etc.

BEERS, WINES AND SPIRITS

BEERS, WINES—Cont.

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

DRAPERY & STORES—Cont.

ELECTRICALS

ENGINEERING

ENGINEERING—Continued

FOOD, GROCERIES, ETC

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

1984 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
30	20	Martin-Black	22	.....	—	—	—	—
£108	£87	Mathesons 7½%	£87	.....	Q7½%	2.3	19.2	—
378	287	Metal Box £1	356	−2	15.0	3.0	6.8	6.1
220	129	Metal Closures	136	.....	6.3	2.3	6.6	(7.5)
27	12	Metal Sciences 2½p	12	.....	—	—	—	—
29	8	Metamec Jentique	8	−½	0.01	—	—	—
133	83	Midland Marts	100	.....	4.0	1.8	5.8	12.5
69½	45	Mitchell Cotts	69½	.....	4.0	1.3	8.5	9.5
24	13	Mobern Grp 1p	15	.....	‡‡0.5	2.3	4.8	(9.5)
169	132	Morgan Crucible	169xd	+2	†7.5	1.2	6.1	(17.1)
18½	13½	Morris (W) Fine Arts	17½	.....	bg0.25	4.0	2.0	16.0
110	80	Moss (Robt.) 10p	106	−4	†2.5	2.9	3.4	12.7
330	197	MMW Computers	267	.....	6.0	3.0	3.2	14.9
65	40	Nash Inds.	43	.....	4.0	2.2	13.3	5.0
47	30	Neil & Spencer 10p	38	−3	—	—	—	16.4
33	15	Newman Industries	18	+1	—	—	—	(20.1)
31	16½	Do. 10pc Cm.Cm.Pf	19xd	+½	10%	—	7.5	—
67	43	Nolton	45	.....	1.1	◆	3.5	◆
183	132	Norcros	180	−3	7.5	2.4	6.0	9.5
86	58	Nu-Swift 5p	61	.....	—	3.2	—	8.0
100	50	Oakwood Grp.	70	.....	‡‡6.5	—	‡	—
190	141	Office & Elect	141	.....	5.24	4.2	5.3	6.5
875	650	Oriflame Intl SA	700	.....	†Q53c	2.2	6.3	7.3
46	21	Ovenstone 12½c	23xd	.....	‡Q4.5c	2.2	‡	5.3
£152½	£120	Oxford 9pc Cnv 87-92	£151	+1	Q9%	—	6.1	—
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

LEISURE—Continued

1984 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
96	9	Mimslo Int 20c	21	.....	—	—	—	—
		For Norton Opax see Paper, Printing						
31½	14½	Owners Abroad	17	.....	0.75	6.1	6.3	3.3
66	33	Photax (Lon.)	46	.....	—	—	—	—
29½	20	P'dilly Radio NV 5p	22½	.....	b1.88	1.0	11.9	11.5
130	73	Pineapple Dnc St 10p	80	+1	d1.5	4.0	2.2	10.1
420	285	Pleasurama 5p	355	.....	6.5	4.7	2.6	11.5
17½	10½	Pres Entertain 10p	17½	+¼	bg0.02	2.0	0.2	22.2
150	70	Radio City 'A' NV	78	.....	5.6	1.9	11.4	6.1
70	50	Radio Clyde N/V	55	.....	3.0	1.4	7.8	12.8
148	36	Riley Leisure 10p	36	−1	‡4.2	2.4	‡	5.0
140	94	Saga Hols. 20p	135	.....	†1.75	1.6	4.0	22.6
930	290	Samuelson Grp £1	930	+30	13.3	3.6	2.0	17.3
27½	18	Sangers Photo 10p	24	.....	bg1.25	1.0	7.4	10.9
150	138	Scantro 50p	145	.....	bg3.68	2.2	3.6	17.6
190	98	Scott. TV 'A' 10p	172	.....	†8.1	2.9	6.7	8.0
413	186	SeaCo Inc $0.125	296	+2	—	—	—	—
35	12	SelecTV 10p	15	.....	—	—	—	—
145	122	Spectrum 5p	142	.....	g2.0	4.8	2.0	14.9
37	24	TSW 5p	32½	+½	1.5	◆	6.6	◆
157	79	TVS N/Vtg 10p	145	.....	‡5.0	◆	5.0	◆
142½	102½	Television Svcs 50p	120	.....	d1.5	4.2	1.8	34.8
90	60	Tottenham Hotspur	79	.....	d2.3	1.6	7.5	(10.6)
161	120	Trid'nt TV 'A' 10p	148	.....	†5.5	2.8	3.3	14.6
171	100	21st Century Dist	144	.....	—	—	—	—
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

INSURANCES

[illegible]

LEISURE

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

MINES—Continued

1984 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
		Central African					
280	145	Falcon Z$0c	158	.....	Q100c	◆	38.9
17	8	Wankie Col. Z$1	9½	.....	—	—	—
21	14	Zam.Cpr.SBD0.24	15	.....	—	—	—
		Australians					
49	23	ACM 50c	40	−1	—	—	—
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Tins

[illegible]

Miscellaneous

[illegible]

NOTES

[illegible]

REGIONAL & IRISH STOCKS

[illegible]

OPTIONS — 3-month call rates

[illegible]

"Recent Issues" and "Rights" Page 35

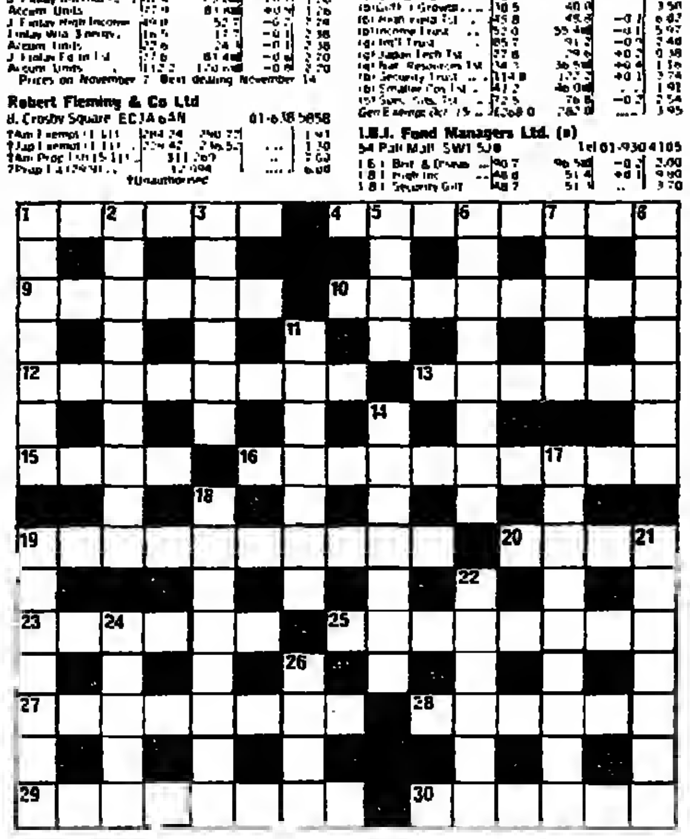
[illegible]

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

INSURANCES

F.T. CROSSWORD PUZZLE No. 5570



ACROSS

1 Two short men attacked him (6)
4 The pastor is found parking her in an outhouse (8)
9 We hear why it follows green revolution activity (8)
10 Divulges secret information about tree surgery and retires (8)
12 Powerless to return, I'm shut up outside (8)
13 Going back about river vessel (6)
15 Aim to get fit man (4)
16 Playing badly, it is I with a handicap' (10)
19 In the fifties, Eisenhower and I cover the probability — (10)
20 —of getting caught in a quantity of worthless people (4)
23 Is back on time, though inactive (6)
25 Nark, being home earlier (8)
27 Nice sort of chap in evidence (8)
28 Films nice kind of old lady (6)
29 The sailors see Guy tacking round the island (8)
30 Let the conservationists bring the animals back round (6)

DOWN

1 Give new version of success in television programmes (7)
2 He put, in the top, a tar base (9)
3 Go in, when drunk, back street bars (6)
5 Last one thing cobblers do (4)
6 The picture left by an artist with sex appeal (8)
7 In conclusion see me leaving lame animal (5)
8 Do away with the vessel without hesitation (7)
11 Using the ability to see with penetration (7)
14 Mary and Mona changed places (7)
17 Alight with lying vicar (9)
18 Frank takes Nat out into the plant (8)
19 Heather has a way in that's permanent (7)
21 She's one of the main myths (7)
22 Rod, sick at heart, is put in to keep order (6)
24 Man could be fifty before becoming a stocking maker (5)
26 Each turn brings a dull pain (4)

Solution to Puzzle No. 5,569

INSURANCE, OVERSEAS & MONEY FUNDS

OFFSHORE AND OVERSEAS

Wren Commodity Management Ltd
10, St George's St, Douglas, IoM. 0624 55015

Wren Com Fd	12.8	15.3	....	3.10
Chinese Fd	59.0	62.4	....	1.79
PrecMetFd	122.6	127.7	....	0.79
VangCmdyFd	26.5	27.2	....	—
FinFuturesFd	32.1	33.4	....	—

Yamaichi Dynamic Mngt Co SA
10a Boulevard Royal, Luxembourg.

DynmcGthFd	59.55	— +9.11	—

Money Market Trust Funds

	Nom	Apr	Int Cr	Notice
Mallinhall Ltd 36 Berkeley Sq, W1X 5DA. 01-499 6634				
M'hallMnyF	10.00	10.37	Qtr	Call
The Money Market Trust 53 Qn Victoria St, EC4N 4ST. 01-236 0952				
Call Fund	10.21	10.52	6mth	Call
7-day Fund	10.50	10.72	6mth	7-day
Oppenheimer Money Management Ltd 66 Cannon St, EC4N 6AE. 01-236 1425				
Call Fund	9.89	10.13	6mth	Call
7-day Fund	9.99	10.25	6mth	7day
MnyMgAc	9.75	10.11	2mth	Call
Dollar	8.19	8.59	6mth	2day

Money Market Bank Accounts

	Nom	Apr	Int Cr	Notice
Aitken Hume 30 City Road, EC1Y 2AY. 01-638 6070				
Treasury Acc	9.99	10.09	Qtr	Call
MthlntChq	10.99	10.47	Mth	Call
Bank of Scotland 38 Threadneedle St, EC2P 2EN. 01-628 8060				
Cheque Acc	9.60	10.98	Mth	Call
Barclays Prime Account PO Box 125, Northampton. 0604 565891				
High Int Chq	8.75	9.11	Qtr	Call
Britannia Grp of Investment Companies 29 Finsbury Circ, EC2M 5QL. 01-588 2777				
Cater Allen	10.00	10.471	Mth	Call
Charterhouse Japhet plc 1 Paternoster Row, EC4M 7DH. 01-248 3999				
Sterling	10.09	10.47	Mth	Call
U.S. Dollar	9.50	10.00	Mth	Call
German Marks	5.9	5.19	Mth	Call
Swiss Francs	5.9	2.95	Mth	Call
Japanese Yen	5.0	5.19	Mth	Call
Choulartons 10 Ashley Rd, Altrincham, Cheshire, WA1 20W. 061-928 9011				
Choose Acc	10.25	10.75	Mth	Call
Co-operative Bank 78-80 Cornhill EC3. 01-626 6543 Ext 466				
Cheque&Save	8.00	8.24	Qtr	Call
Over £1,000	10.00	10.38	Qtr	Call
Dartington & Co Ltd Dartington, Totnes, Devon TQ9 6JE. 0803 862271				
MnyMktAcc	10.28	10.66	Qtr	Call
Lombard North Central plc 17 Bruton St, W1A 3DH. 01-409 3434				
Notice Dep	10.50	10.78	Rate	14day
M & G Kleinwort Benson 01-90 New London Rd, Chelmsford. 0245 51651				
HighIntChqAcc	9.76	10.25	Daily	Call
Midland Bank plc PO Box 2, Sheffield. 0742 20999 Ext 8738				
High Int Chq	9.50	9.64	Qtr	Call
Save & Prosper/Robert Fleming 28 Western Rd, Romford RM1 3LB. 0708 66966				
High Int Std	9.53	10.00	Qtr	Call
Premier Acc	9.53	10.00	Daily	Call
Tyndall & Co 29-35 Princess Victoria Street, Bristol BS8 4BX. 0272 732241				
Demand Acc	9.86	10.18	Qtr	Call
Money Acc	10.00	10.39	Qtr	Chq/7
J. Henry Schroder Wagg & Co Ltd Enterprise House, Portsmouth. 0705 827733				
Special Acc	10.09	10.47	Mth	Call
Over£10,000	10.25	10.47	Mth	Call

NOTES—Interest rates given both as a nominal rate and an annual percentage rate adjusted for frequency of interest credit.

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. § Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡ Only available to charitable bodies. ☐ Yield column shows annualised rates of NAV increase.

COMMODITIES AND AGRICULTURE

Japanese deny U.S. whale ban claim

By Our Commodities Staff

JAPAN plans to cease sperm whale hunting within the next four years, Japanese officials attending U.S.-Japanese talks in Washington have confirmed. However, they denied U.S. claims that Japan had agreed to end all whaling within that period.

Earlier Mr Malcolm Baldridge, U.S. Commerce Secretary, had announced that Japanese delegates had agreed to end all commercial whaling.

The U.S. had threatened to ban all Japanese fishing in its 200-mile coastal zone if Japan refused to stop whaling.

The Japanese described the U.S. announcement that a total halt to whaling had been agreed as "unilateral."

They saw it as part of a U.S. campaign to pressurise Japan into going along with the moratorium agreed by most members of the International Whaling Commission, with the exceptions of Japan and the Soviet Union.

U.S. officials said yesterday they were puzzled by the Japanese denial.

Mr Hiroya Sano, director general of the Japanese Fisheries Agency, said in Tokyo meanwhile that the Japanese delegation had been assigned to deal only with sperm whales and "did not hold discussions" on overall commercial whaling, which includes other species such as minke whales, a small variety which the Japanese still catch in great numbers.

Any reference to a general whaling ban was only a declaration by the U.S. side and not part of the agreement, Japanese officials insisted.

U.S. officials continued to maintain that the documents signed by the two countries in Washington called for Japan to end all whaling if it wanted to avoid sanctions against fishing in U.S. waters.

Liquidator unveils Argos Metals rescue plan

BY JOHN EDWARDS, COMMODITIES EDITOR

DETAILS of a rescue plan to save Argos Metals, a London-based platinum trader, were unveiled yesterday by the liquidator appointed by the creditors, Mr Maurice Dorrington of accountants, Poppleton and Appleby.

A newly formed "off-the-shelf" company called Precis (311) has taken over the business and will continue to trade as Argos Metals. It will also continue to participate in the daily sessions with Ayrton Metals Samuel Montagu, which decide the London free market price quotations.

Mr Dorrington said that in spite of its huge trading losses, the company is to operate under what is known in accountancy as a "hive down" situation. This means it will conclude at least one deal a day.

Meanwhile a delegation from the Soviet Union, which sells platinum and palladium via Argos Metals, is expected to arrive in London later this month for urgent talks.

It is understood that several potential buyers have expressed an interest in acquiring Precis (311), which is controlled by the liquidator, who says he has been inundated with calls.

According to a statement of affairs compiled by the liquidator, Argos Metals' debts total £1,536,854 to unsecured creditors. The biggest creditors are: Swiss Bank Corporation £519,910; National Westminster Bank £454,686; Ayrton Metals £217,300 and Johnson Matthey £148,686. Assets are estimated at £516,159.

Mr Dorrington pointed out, however, that any buyer of the business would be able to take advantage of about £3.1m in tax losses. In addition, he claimed a contract with the Russians could be worth as much as £6m, and the company had bought forward in New York and Chicago for January and February delivery.

Mr Dorrington said it was essential that the business should not be forced to close its positions as that would result in big losses for January trading.

Mr Dorrington said the losses suffered by the company had been caused partly by a fall in platinum prices over recent years, under-capitalisation had also been a problem.

● The London free market price for platinum fell by $4 to $333.50 an ounce. Dealers said the decline merely reflected the fall in gold and the Argos liquidation had made no impact.

Copper prices fall sharply in London

By Our Commodities Editor

COPPER PRICES fell sharply on the London Metal Exchange yesterday, following heavy selling triggered by the decline in New York values overnight. Three months high grade copper closed £23.50 down at £1,088.5 a tonne.

Traders said the market appeared to be somewhat overbought so prices fell quickly when sustained selling emerged. The decline in sterling against the dollar failed to lift London prices: instead it brought extra pressure to bear encouraged by the downtrend in gold.

Lead and zinc followed the easier trend in copper, but nickel and tin values both gained ground on the weakness in sterling. Support buying by the buffer stock of the International Tin Council pushed London values up in spite of the Straits tin price in Kuala Lumpur falling back to the Tin Agreement "floor" of $M29.15 a kg.

● INDIA'S 1984 tea output is projected at 650m kg, up from a July estimate of 630m and compared with 585m in 1983, Tea Board sources said.

● THE EEC Commission authorised the export of 89,700 tonnes of white sugar at a maximum rebate of 39.980 Ecus per 100 kg at its weekly tender in Brussels yesterday. It also authorised the export of 5,000 tonnes of raw sugar.

● FRENCH businessman, M Jean-Baptiste Doumeng, has won a contract to sell 100,000 tonnes of EEC butter to the Soviet Union.

● RUBBER producers and consumers have agreed to renegotiate the International Natural Rubber Agreement between April 22 and May 10 next year in Geneva.

● NORWEGIAN and EEC Commission officials will meet in Oslo today for a third attempt to work out an agreement on fisheries for 1985 that could end the "herring war" in the North Sea.

Market celebrates ten fruitful years at Nine Elms site

BY ANDREW ARENDS

NINE ELMS, formerly London's Covent Garden market, renamed after the site it moved to 10 years ago, celebrates the anniversary today at a time when wholesale fruit and vegetable markets face an uncertain future.

Since freeing itself from the physical constraints of the original central London location in 1974, the market has, at first sight, prospered. Sales of fruit, vegetables and flowers have grown in cash terms from £89m in 1974, to over £263m last year.

Yet, over the past 10 years the amount of produce handled by the six London wholesale markets, of which Nine Elms is the largest, has declined.

An increasing share of the fruit and vegetable market is being taken by the multiple grocery chains which purchase their supplies directly from the producers. Roughly 30 per cent of all fresh produce is now sold through the supermarkets, compared with just over 20 per cent a decade ago.

In constant price terms sales at Nine Elms are only a bit above their level ten years ago.

Of the 37 wholesale fruit and vegetable markets in England and Wales, Nine Elms is the largest, handling about 1m tonnes of produce annually, nearly double the volume of Spitalfields, its nearest rival.

Although some traders insist that business is the same as it was north of the Thames, it is clear that significant changes have occurred. The new market is far more efficient and greater volume can be handled. This year about 1m tonnes of fruit and vegetables will be sold familiar items

According to Mr Alan McCutchion, chairman of the Covent Garden Tenants' Association "an increasing volume of business is being carried out via direct telephone sales." These sales, he added, do not appear in the official figures for market turnover, as the produce is shipped direct from producer to purchaser.

Moreover, although the number of trading companies within the market has remained roughly the same since 1974, there have been important changes. Larger, more specialised companies have become more prevalent, replacing the traditional family companies which tended to deal in most types of fruit and vegetables. While the number of fruit and vegetable wholesalers has fallen from 107 to 85 in the past 10 years, their average size has expanded.

In terms of produce sold, imported exotic fruits and vegetables play a far more important role. Since 1974 trading in imported produce has jumped from 20 per cent to 80 per cent both at Nine Elms, and nationally. When the market crossed the river, kiwi fruits, mangoes and avocados were all considered "exotic" produce. Today they are

There are signs that Nine Elms' success and its prospects for the future could be at the expense of the other five London markets. In an unpublished 1981 report on the London wholesale markets commissioned by the Ministry of Agriculture, Ms Detta O' Cathain, marketing adviser to the Ministry said that by the 1990s London may be able to support only three markets.

Nine Elms should be one of these but several shadows hang over it.

Within the next week, the Greater London Council will announce its decision whether to ban lorries in London during the evening. According to Mr David Berridge, chief executive of the National Federation of Fruit and Potato Trades, the industry lobby, such a ban would "cripple the market."

Trading companies make their money on a commission basis, and the industry is lobbying for an increase in commission rates, arguing that they are being squeezed by both growers co-operatives, and large buyers.

In spite of these problems, Mr McCutchion believes that the market will still be thriving in another ten years. The odds, however, are that it will be as different as today's is from ten years ago.

Potato Marketing Board forecast raises glut fears

BY ANDREW GOWERS

BRITAIN'S Potato Marketing Board yesterday fuelled speculation over the size of the glut on the UK market by raising its crop estimate by about 37,000 tonnes.

With check weighings all but complete, it estimated this season's average yield at 36.50 tonnes per hectare. Last season it was 30.30 per hectare. This points to a crop totalling about 6.76m tonnes, compared with last year's 5.54m.

However, board officials largely stuck to their previous prediction that the surplus would be about 500,000 tonnes. This would be slightly more than the 448,000 tonnes which the PMB has contracted to buy under its market support scheme.

The board is banking on an expectation that consumption will be at least as large as last season's record total.

Its annual report, published yesterday, showed that in the year to last May, average potato consumption was 106.3 kg a head, 1 kg above the previous year's level.

Other market observers are sceptical as to whether this can be repeated. Forecasts of this season's surplus have ranged as high as 800,000 tonnes.

One major imponderable remains the level of imports, particularly from the Netherlands.

On the London futures market yesterday, prices rose a little. The April contract closed at £57.80 per tonne, up £2.20 on the previous day. Brokers saw little prospects of a sustained rise.

Poland plans to import 3m tonnes grain

By Christopher Bobinski in Warsaw

POLAND plans to import 3m tonnes of wheat and corn in the 12 months to July 1985, according to Mr Stanislaw Zieba, the Farming Minister.

This import target was set after this year's 24.2m tonne grain harvest which is the best since the war.

Poland had bought 3m tonnes of grain in the 12 months ending last July, Mr Zieba said, and for the first time 1m tonnes of rye were being offered for export.

Poland would also be considering grain exports next year, Mr Zieba added, depending on the harvest.

This year's rape crop had also been good, with a 1m tonne harvest leaving some 200,000 tonnes available for export.

Malaysian palm oil earnings surge

BY WONG SULONG IN KUALA LUMPUR

PALM OIL is expected to overtake timber and rubber to become Malaysia's second highest export after petroleum following a surge in price during the year.

Mr Datuk Paul Leong, Minister of Primary Industries, told the Malaysian parliament that if the present price of 1,200 to 1,300 ringgit per tonne is maintained to the end of the year, Malaysia should earn more than 6bn ringgit (£2bn) from palm oil and palm kernel exports.

Palm oil exports are expected to be about 3m tonnes, and 360,000 tonnes for palm kernels.

Last year, exports of palm oil and kernels were 3.16m valued at 3.35bn ringgit and 470m ringgit respectively.

Mr Datuk Leong said the emergence of palm oil as Malaysia's second biggest export will be reinforced in coming years because of high export volumes.

Rubber production will show only modest growth, while timber output will fall due to conservation policies.

The rate of return for palm oil is two to three times better than rubber, and by 1990, Malaysian palm oil output is expected to rise to 5.6m tonnes.

PRICE CHANGES

In tonnes unless stated otherwise	Nov. 14 1984	+ or —	Month ago
[illegible]	[illegible]	[illegible]	[illegible]

BRITISH COMMODITY PRICES

BASE METALS

BASE-METAL PRICES moved erratically on the London Metal Exchange. The continued volatility of foreign exchanges caused considerable nervousness [illegible]

COPPER

[illegible]

NICKEL

[illegible]

SILVER

[illegible]

TIN

[illegible]

LEAD

[illegible]

ZINC

[illegible]

ALUMINIUM

[illegible]

COCOA

[illegible]

COFFEE

[illegible]

GRAINS

[illegible]

SUGAR

[illegible]

INDICES

FINANCIAL TIMES

[illegible]

REUTERS

[illegible]

MOODY'S

[illegible]

DOW JONES

[illegible]

PIGMEAT

[illegible]

POTATOES

[illegible]

WOOL FUTURES

[illegible]

RUBBER

[illegible]

SOYABEAN MEAL

[illegible]

COTTON

[illegible]

MEAT/FISH

[illegible]

LONDON OIL

SPOT PRICES

[illegible]

GAS OIL FUTURES

[illegible]

GOLD MARKETS

Gold fell $4 to $345¼-346 on the London bullion market yesterday. It opened at $346¼-346¾ and was fixed at $346 in the morning and $345.80 in the afternoon. The metal touched a peak of $346¾-347¼ and a low of $345-345½.

In Paris the 12½-kilo gold bar was fixed at FFr 101,300 per kilo ($347.68 per ounce) in the afternoon, compared with FFr 101,700 ($346.69) in the morning and FFr 101,500 ($351.25) Tuesday afternoon.

In Frankfurt the 12½-kilo bar was fixed at DM 33,130 per kilo ($347.43 per ounce) against DM 32,930 ($349.75) and closed at $346-346½ compared with $350½-351.

In Luxembourg the 12½-kilo bar was fixed at the equivalent of $346.25, compared with $349.25.

In Zurich gold finished at $345¾-346¼ against $350½-350¾.

LONDON FUTURES

[illegible]

Gold Bullion (fine ounce)

[illegible]

Gold and Platinum Coins Nov. 14

[illegible]

EUROPEAN MARKETS

[illegible]

AMERICAN MARKETS

NEW YORK, November 14. [illegible]

NEW YORK

[illegible]

CHICAGO

[illegible]

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar nervous and volatile

The dollar closed firmer on the day, but below its best levels against most currencies in confused and nervous trading. The confusion centred on the prospects for lower U.S. interest rates and the nervousness on the intervention tactics of the German Bundesbank.

A slowdown in U.S. economic growth has led to expectations of easier Federal Reserve monetary policy and lower interest rates, but the other side of the coin suggests that slower growth will produce less Government revenue from taxation and increase the Budget deficit, keeping the pressure on rates. A fall of 0.1 per cent in October retail sales, coupled with a downward revision in the September figure, was seen as a further pointer to slower growth, although this statistic is generally regarded as volatile.

The lower-than-expected retail sales figure, coupled with the first interventinn by the Bundesbank this month, unnerved the market and pushed the dollar lower. The intervention was not on e very large scale, but was enough to send the U.S. currency down by 1½ pfennigs, before the earlier bout of short covering reasserted itself and the dollar moved up again to end on a firm note.

It rose on the day to DM 2.9710 from DM 2.9400; FFr 9.1150 from FFr 9.0250; SwFr 2.4475 from SwFr 2.4140; and Y242.35 from Y240.35.

On Bank of England figures the dollar's index rose to 138.8 from 137.8.

STERLING—Trading range against the dollar in 1984 is 1.4905 to 1.1875. October average 1.2207. Exchange rate index fell 0.3 to 76.5, after opening at the day's high of 76.6 and touching 76.4 in the afternoon. Six months ago the index stood at 79.9.

Sterling lost ground tn the stronger currencies; and showed mixed changes against other major currencies, but underlying sentiment remained good. The pound fell 1.15 cents to $1.2600-1.2610. It was unchanged at DM 3.7425, fell to FFr 11.4825 from FFr 11.49 and Y305.50 from Y305.75, bnt rose to SwFr 3.0825 from SwFr 3.0675.

D-MARK—Trading range against the dollar in 1984 is 3.1410 to 2.5535. October average 3.0676. Trade-weighted index 122.5 against 124.8 six months ago.

The Bundesbank intervened on the open market to sell dollars shortly before the Frankfurt fixing. This surprised and unnerved the market, pushing the D-mark np against the U.S. currency. The dollar was still fixed higher on the day, at DM 2.9490 compared with DM 2.9282, but was down from the level of DM 2.9625 at the time of the intervention. This was described by dealers as moderale, involving an estimeted $40m to $60m. The German central bank sold another $20.5m at the fixing, the first intervention since October 26, whicb was also the last time the Bundesbank sold dollars on the open market. Yesterday's move was seen as a signal that the central bank would continue to intervene when necesary, and as a move to maintain a mood of uncertainty in the market.

STERLING EXCHANGE RATE INDEX (Bank of England)

	Nov 14	Previous
8.30 am	—	—
9.00 am	76.6	76.7
10.00 am	76.5	76.7
11.00 am	76.5	76.9
Noon	76.6	76.8
1.00 pm	76.6	76.8
2.00 pm	76.5	76.7
3.00 pm	76.4	76.8
4.00 pm	76.5	76.8

£ in New York

	November 14	Prev. close
£ Spot	$1.2607-1.2617	$1.2615-2625
1 month	0.08-0.06 pm	0.09-0.06 pm
3 months	0.08-0.05 pm	0.08-0.06 pm
12 months	0.55-0.75 dis	0.58-0.56 dis

Forward premiums and discounts apply to the U.S. dollar.

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu November 14	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.9008	45.0741	+0.39	+0.47	±1.5428
Danish Krone	8.14104	8.06559	−0.93	−0.85	±1.6421
German D-Mark	2.24184	2.23215	−0.43	−0.35	±1.1463
French Franc	6.87456	6.85338	−0.31	−0.23	±1.3659
Dutch Guilder	2.52595	2.51764	−0.33	−0.25	±1.5165
Irish Punt	0.72569	0.719920	−0.80	−0.72	±1.6671
Italian Lira	1403.49	1387.77	−1.12	−1.12	±4.0511

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

POUND SPOT—FORWARD AGAINST POUND

Nov 14	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.2585-1.2695	1.2600-1.2610	0.07-0.04c pm	0.52	0.01pm-0.03d	−0.03
Canada	1.6675-1.6875	1.6685-1.6805	0.13-0.22c dis	−1.26	0.51-0.64dis	−1.39
Nethlnd.	4.20½-4.23½	4.20½-4.21½	1¾-1½c pm	4.63	4½-4¼ pm	4.10
Belgium	75.38-75.74	75.45-75.55	par-6c dis	−0.48	8-17 dis	−0.68
Denmark	13.48-13.53½	13.52½-13.53½	1⅞-2⅞ore dis	−2.00	7⅞-8 dis	−2.24
Ireland	1.2020-1.2108	1.2040-1.2050	0.33-0.49p dis	−4.08	1.09-1.32dis	−4.00
W. Ger.	3.72½-3.75½	3.73½-3.74½	1⅝-1½pf pm	4.31	4½-3½ pm	4.21
Portugal	200.00-204.00	200.20-202.90	175-500c dis	−20.09	555-1700dis	−22.38
Spain	209.30-210.10	209.35-209.55	45-65c dis	−3.15	170-205 dis	−3.58
Italy	2,319½-2,335½	2,321½-2,322½	2-11 lire dis	−0.17	31-34 dis	−5.60
Norway	10.87-10.91	10.88½-10.89½	2½-3ore dis	−3.03	8½-9½ dis	−3.28
France	11.46-11.51½	11.47½-11.48½	½-1½c dis	−0.86	3-4½ dis	−1.28
Sweden	10.72-10.78	10.73½-10.74½	1½-1⅞ore dis	−1.82	4⅞-6½ dis	−1.93
Japan	304½-306½	305-306	1.33-0.95y pm	3.89	2.77-2.64 pm	3.54
Austria	26.16-26.34	26.17-26.22	7½-6⅞gro pm	3.18	18½-15½ pm	2.62
Switz.	3.07½-3.09½	3.07½-3.08½	1½-1⅝c pm	5.08	4½-3½ pm	5.11

Belgian rate is for convertible francs. Financial franc 75.75-75.90.
Six-month forward dollar 0.18-0.23c dis, 12-month 0.88-1.03c dis.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

Nov 14	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.2585-1.2695	1.2600-1.2610	0.07-0.04c pm	0.52	0.01pm-0.03d	−0.03
Ireland†	1.0445-1.0515	1.0445-1.0455	0.42-0.36c pm	4.58	1.20-1.10 pm	4.37
Canada	1.3140-1.3158	1.3153-1.3158	0.18-0.21c dis	−1.78	0.43-0.48dis	−1.38
Nethlnd.	3.3125-3.3520	3.3480-3.3490	1.06-1.03c pm	3.77	3.22-3.15 pm	3.88
Belgium	59.50-60.05	59.80-59.90	5-6½c dis	−1.15	11-14 dis	−0.83
Denmark	10.66½-10.72½	10.72½-10.72½	2-2½ore dis	−2.53	3½-4½ dis	−1.50
W. Ger.	2.9420-2.9775	2.9705-2.9715	1.00-0.95pf pm	3.97	3.01-2.96 pm	4.05
Portugal	160-162	160-162	150-450c dis	−22.36	450-1350dis	−22.36
Spain	165.60-168.40	165.80-166.10	50-60c dis	−3.98	145-165 dis	−3.74
Italy	1,833½-1,849½	1,847-1,848	8.90-9.30 lire dis	−5.96	26.00-28.75d	−5.75
Norway	8.59½-8.64½	8.63½-8.63½	2.50-3.00ore dis	−3.84	7.40-7.90dis	−3.56
France	9.0450-9.1250	9.1145-9.1165	1.02-1.17c dis	−1.45	3.30-3.60dis	−1.52
Sweden	9.49-9.63½	8.51½-8.51½	1.65-2.15ore dis	−2.68	4.40-4.90dis	−2.18
Japan	241.00-242.55	242.30-242.40	0.69-0.65y pm	3.33	2.10-2.05 pm	3.44
Austria	20.71½-20.85	20.81-20.84	4½-4gro pm	2.46	13½-11½ pm	2.41
Switz.	2.4225-2.4480	2.4470-2.4480	1.15-1.04c pm	6.28	3.00-2.94 pm	4.98

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.
Belgian rate is for convertible francs. Financial franc 60.10-60.20.

OTHER CURRENCIES

Nov. 14	£	$		£ Note Rates
Argentina Peso	162.75-163.04	128.86-128.96	Austria	26.30-26.50
Australia Dollar	1.4660-1.4680	1.1615-1.1625	Belgium	75.80-76.60
Brazil Cruzeiro	3,391.16-3,415.28	2,686-2,698	Denmark	13.45-13.60
Finland Markka	7.6118-7.6307	6.1020-6.1040	France	11.44-11.56
Greek Drachma	152.09-156.50	120.86-120.93	Germany	3.73-3.77
Hong Kong Dollar	9.8700-9.8800	7.8190-7.8220	Italy	2315-2345
Iran Rial	115.70*	90.95*	Japan	303-308
Kuwait Dinar (KD)	0.37980-0.38005	0.30085-0.30090	Netherlands	4.20½-4.24½
Luxembourg Fr.	75.45-75.55	59.80-59.90	Norway	10.84-10.95
Malaysia Dollar	3.0205-3.0300	2.3950-2.3980	Portugal	207-214
New Zealand Dlr.	2.5425-2.5475	2.0145-2.0175	Spain	207-217½
Saudi Arab. Riyal	4.4930-4.4985	3.5605-3.5615	Sweden	10.69-10.80
Singapore Dollar	2.7080-2.7150	2.1450-2.1475	Switzerland	3.06½-3.09½
Sth African Rand	2.2075-2.2150	1.7545-1.7605	United States	1.26-1.27
U.A.E. Dirham	4.6340-4.6390	3.6720-3.6730	Yugoslavia	257-260

* Selling rates.

CURRENCY MOVEMENTS

Nov 14	Bank of England Index	Morgan Guaranty Changes%
Sterling	76.5	−13.9
U.S. dollar	138.8	+25.9
Canadian dollar	89.5	+5.5
Austrian schilling	112.6	+4.1
Belgian franc	90.2	−10.7
Danish Kroner	77.2	−5.3
Deutsche mark	122.5	+8.6
Swiss franc	142.7	+10.1
Guilder	112.2	+3.4
French franc	64.7	−16.2
Lira	46.9	−13.8
Yen	155.8	+12.6

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

CURRENCY RATES

Nov. 14	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.795160	0.597130
U.S. $	9	1.00874	0.756276
Canadian $	11.46	*	0.994050
Austria Sch.	4½	20.9394	15.6852
Belgian Fr.	11	60.1070	45.0741
Danish Kr.	7	10.8061	8.06559
D mark	4½	2.97477	2.23215
Guilder	5	3.35057	2.51764
French Fr.	9½	9.14120	6.85338
Lira	16½	1800.46	1387.77
Yen	5	245.661	182.565
Norwgn Kr.	8	8.72450	6.50587
Spanish Pta.	½	167.072	125.277
Swedish Kr.	9	8.59951	6.42268
Swiss Fr.	4	2.45276	1.83926
Greek Dr'ch	20½	123.591	92.1896
Irish Punt	13¾	0.960248	0.719920

*C$/SDR rate for November 9: N/A.

EXCHANGE CROSS RATES

Nov. 14	Pound St'rling	U.S. Dollar	Deutsche m'k	J'panese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.261	3.743	305.5	11.48	3.083	4.210	2322.	1.660	75.60
U.S. Dollar	0.793	1.	2.971	242.4	9.115	2.448	3.349	1848.	1.317	59.85
Deutschemark	0.267	0.337	1.	81.60	3.068	0.824	1.125	620.4	0.444	20.17
Japanese Yen 1,000	3.273	4.126	12.25	1000.	37.59	10.09	13.78	7601.	5.434	247.1
French Franc 10	0.871	1.098	0.259	266.1	10.	2.685	0.505	2038.	1.466	65.75
Swiss Franc	0.324	0.409	1.914	99.11	3.725	1.	1.366	753.3	0.539	24.49
Dutch Guilder	0.239	0.299	0.888	72.57	2.727	0.736	1.	551.5	0.394	17.93
Italian Lira 1,000	0.431	0.543	1.612	131.6	4.940	1.328	1.813	1000.	0.715	32.52
Canadian Dollar	0.602	0.759	2.255	184.0	6.917	1.857	2.530	1399.	1.	45.48
Belgian Franc 100	1.325	1.670	4.957	404.6	15.21	4.083	0.576	3075.	2.199	100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Nov. 14	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Krone
Short term	10-10¼	9⅛-9½	10⅝-11¼	5⅛-5⅞	⅛-1⅛	5⅝-5⅞	11-11⅛	14¾-15¼	10⅝-11¼	10⅝-11	5 5⅛	11¾-12¼
7 days' notice	10-10¼	9⅛-9⅝	10⅝-11¼	5⅞-5⅞	1-1¼	5⅞-5⅞	10⅞-11	14⅝-15⅛	10½-11	10⅝-10⅞	6-6⅛	11¾-12¼
Month	10⅛-10¼	9⅝-9⅞	10⅞-11⅛	5¾-6⅛	4¼ 4⅜	6⅛-6⅜	10⅝-10⅞	15-15½	10⅝ 10⅞	10⅝ 10⅞	5⅞-5⅞	11¾-12¼
Three months	9⅞ 10	9⅞-9⅞	10⅞-11⅛	5⅞-6⅛	5-5⅛	6⅛-6⅜	11⅛ 11¼	15⅛-15⅝	10½-11	10⅝ 10⅞	6⅛-6⅜	11⅞-12⅜
Six months	9⅞ 10	9⅞ 10⅛	11⅛-11¼	6⅛-6⅜	5.5⅛	6⅛ 6⅞	11⅛-11½	15⅝-15¾	10½-11	10⅝-10⅞	6⅛-6⅜	11⅞-12⅜
One year	10 10⅛	10⅛-10⅜	11⅛-11⅜	6⅛ 6⅜	5.5⅛	5⅞ 6⅛	11⅜-16⅛	15⅛-15⅝	10¾-11¼	10⅝-10⅞	6⅛-6⅜	11¾-12¼

Asian $ (closing rates in Singapore): Short-term 9⅛-9½ per cent; seven days 9⅛-9½ per cent; one month 9⅝-9¾ per cent; three months 9¹¹⁄₁₆-9¹³⁄₁₆ per cent; six months 9¹⁵⁄₁₆-10¹⁄₁₆ per cent; one year 10⅛-10⅜ per cent. Long-term Eurodollars: two years 11½-11⅝ per cent; three years 11⅞-12⅛ per cent; four years 12⅛-12⅜ per cent; five years 12¼-12½ per cent nominal rates. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

MONEY MARKETS

Bullish sentiment stalled by U.S. rates

UK interest rates were slightly firmer in London yesterday in ralber dull trading. The primary influence in view of the conditions appeared to be a concern that U.S. interest rates may not maintain their recent downward trend. This combined with a weaker sterling to push UK rates firmer. Three-month interbank money was quoted at 9⅞-10 per cent, compared with 9⅞-9⅞ per cent, while three-month eligible bank bills were bid at 9⅛-9½ per cent, unchanged from Tuesday. Overnight interbank money touched 10½ per cent before slipping away to around 1 per cent.

Confidence was not disturbed by the failure of the authorities to extend the gilt repurchase agreement with commercial banks, which matured yesterday, although there was some concern that another facility may be required as funds are drawn from the market to finance purchases of British Telecom shares at the end of the month.

The Bank of England forecast a shortage of around £450m with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £143m and the unwinding of previous gilt stocks sale and repurchase agreements accounting for a further £709m. There was also a rise in the note circulation of £75m. These were partly offset by Exchequer transactions which added £455m.

The forecast was revised to a shortage of around £500m and the Bank gave assistance in the morning totalling £511m. This comprised purchases of £12m of eligible bank bills in band 1 (up to 14 days) at 10 per cent and £44m in band 2 (15-33 days) at 9⅞ per cent. It also arranged sale and repurchase agreements on £455m of bills at 9⅞-9⅞ per cent, £338m unwinding on December 12 and £117m on December 14. There was no further intervention in the afternoon.

In Amsterdam money market rates showed little overall change, as short term liquidity remained in reasonable supply. There is still a considerable amount available through the Dutch central Bank's current special lending facility. However there appears to be little likelihood of a reduction in rates before any similar move in West Germany.

UK clearing banks' base lending rate 10 per cent since November 7

MONEY RATES

Nov. 14	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	5.50-5.55	11½	1¼-1½	5⅛-5⅝	6.09375	15⅞-17¼	9.90	13⅝-13⅞
One month	5.60-5.70	10¹⁄₁₆-10⅛	4¼-4⅜	5⅛-6¼	6.21875	16⅞-17¼	10⅛-10⅜	13⅛-13¾
Two months	5.90-6.05	10⅛ 10⅛	—	—	—	—	—	15⅛-15¼
Three months	5.90-6.00	10⅛-10⅛	4⅝ 5⅛	5⅞ 6⅛	6.38125	17⅛-17½	10⅛-10⅛	13⅛-13¾
Six months	5.90-6.00	10⅛-10⅛	—	6-6⅛	—	—	10¼ 11⅛	13⅝-13⅞
Lombard	0.0	—	—	—	—	—	—	—
Intervention	—	11	—	5¼	—	—	—	—

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

Nov. 14 1984	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	1-10½	10¼	7-10⅝	1-10¼	—	—	—	—	—
2 days notice	—	—	10⅛-10¼	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	10-10⅜	10⅛-10⅜	10¼-10½	10-10¼	—	—	—	—	—
One month	10¼-10⅛	10⅛-10¼	10¼	10⅝	9⅞-10	9⅞	9⅞	9⅞	9⅞-9⅞	10½
Two months	9⅞ 9¾	9⅞-10	10	10⅛	9⅝-9¾	9⅞	9⅞	9⅞-9⅞	9⅞-9½	10⅛
Three months	9⅞-9⅞	9⅞-10	9⅞	10⅛	9½-9⅝	9⅞-9⅞	9⅞-9¼	9⅞-9⅞	9⅞-9⅞	9⅞
Six months	9⅞-9⅞	9⅞-10	9⅞	—	—	—	—	9¼	9⅞	9⅞
Nine months	9⅞-9⅞	9⅞-10⅛	—	—	—	—	—	—	—	—
One year	9⅞-9⅞	9⅞-10⅛	10⅛	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	10⅝-10¼	—	10⅛	9.25-9.35	6⅛-6⅝	9½-9⅞
Two months	10¼ 9⅞	—	9⅞	9.35 9.45	8⅝-8⅞	9⅞-9¾
Three months	10¼ 9⅞	—	9⅞	9.45-9.55	8⅞-9⅛	9⅞-9¾
Six months	10¼-9⅞	—	10	9.8 9.9	8⅞-9⅛	9⅞-9⅞
Nine months	10¼-9⅞	—	10	15.0 15.2	—	—
One year	10¼-10	—	10⅛	15.2-10.4	9⅞-9⅞	9⅞-10⅛
Two years	—	10⅝	—	—	—	—
Three years	—	10½	—	—	—	—
Four years	—	10½	—	—	—	—
Five years	—	10½	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV: Average Rate of interest period October 3 to November 6 1984 (inclusive): 10.816 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rate (published by the Finance Houses Association): 11 per cent from November 1 1984. London and Scottish Clearing Bank Rates for lending 10½ per cent. London Deposit Rates for sums at seven days' notice 7¼-7½ per cent. Treasury Bills: Average tender rates of discount 9.4553 per cent. Certificates of Tax Deposit (Series 6): Deposit £100,000 and over held under one month 10¼ per cent; one-three months 10¼ per cent; three-six months 10¼ per cent; six-nine months 10¼ per cent; nine-12 months 10¼ per cent. Under £100,000 9¾ per cent from November 7. Deposits held under Series 5 10¼ per cent. The rate for all deposits withdrawn for cash 7 per cent.

FT LONDON INTERBANK FIXING

(11.00 a.m. November 14)
3 months U.S. dollars

bid 9 5/8	offer 9 3/4

6 months U.S. dollars

bid 9 7/8	offer 10

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	11¾
Broker loan rate	10¼-10¾
Fed funds	9⅞
Fed funds at intervention	9½

Treasury Bills

One month	7.45
Two month	8.30
Three month	8.76
Six month	8.02
One year	8.22

Treasury Bonds

Two year	101¼
Three year	99⅞
Four year	99¾
Five year	100⅛
Seven year	102⅛
10 year	99⅜
30 year	99⅞

FINANCIAL FUTURES

Softer tone

Prices tended to drift a little in the London International Financial Futures Exchange yesterday, following a rather lacklustre performance in the U.S. bond market on Tuesday. The slight turnaround in sentiment was reflected in a lower London opening with the dollar's initial rise together with fears that the recent easier trend in U.S. cash rates may not be sustained, tending to undermine values.

There was a brief fillip in the afternoon after a lower than expected U.S. retail sales figure and a downward revision in the previous month's estimate. The rally was short lived however, and prices drifted once more towards the close.

Gilt prices started the day on a weaker note, again on the back of a softer U.S. market and sterling's weaker trend. However the lower opening attracted little selling and values climbed quite strongly in the afternoon before profit taking and a continuation of the softer trend in the U.S. attracted profit-taking. Consequently after touching a high of 110-06, from an opening level of 109-19, the December contract finished at 109-17, down from 109-22 on Tuesday.

Euro-dollar prices opened lower but rallied on the retail sales figure before losing ground once again.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
Dec	90.04	90.15	89.99	90.10
March	89.55	89.63	89.49	89.70
June	89.12	89.22	89.08	89.27
Sept	88.72	88.84	88.67	88.87
Dec	88.33	88.42	88.33	88.52

Estimated volume 6,486 (5,803)
Previous day's open int 11,486 (11,479)

THREE-MONTH STERLING £250,000 points of 100%

	Close	High	Low	Prev
Dec	90.25	90.32	90.21	90.27
March*	90.42	90.51	90.42	90.44
June*	90.30	90.33	90.29	90.33
Sept*	90.02	90.06	90.00	90.05
Dec*	89.75	—	—	89.80

Estimated volume 886 (1,378)
Previous day's open int 5,796 (5,591)
* £500,000 points of 100%

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
Dec	109-17	110-06	109-15	109-22
March	108-28	109-07	108-28	109-03
June	108-11	—	—	108-19
Sept	111-15	—	—	111-25

Estimated volume 3,406 (4,453)
Previous day's open int 3,163 (3,090)
Basis quote (clean cash price of 13¼% Treasury 2003 less equivalent price of near futures contract 02 to 10 (32nds)

STERLING £25,000 $ per £

	Close	High	Low	Prev
Dec	1.2625	1.2662	1.2600	1.2765
March	1.2630	1.2646	1.2605	1.2770
June	1.2655	1.2655	1.2631	1.2790

Estimated volume 461 (94)
Previous day's open int 2,956 (2,944)

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
Dec	0.3384	0.3400	0.3372	0.3422
March	0.3417	—	—	0.3455
June	—	—	—	0.3718

Estimated volume 346 (78)
Previous day's open int 372 (378)

SWISS FRANCS SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
Dec	0.4112	—	—	0.4182
June	—	—	—	0.4456

Estimated volume nil (nil)
Previous day's open int 544 (544)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
Dec	0.4141	0.4141	0.4138	0.4178
June	—	—	—	0.4321

Estimated volume 2 (7)
Previous day's open int 384 (379)

FT-SE 100 INDEX £25 per full index point

	Close	High	Low	Prev
Dec	118.10	118.50	117.50	118.40
March	118.30	118.30	118.00	118.60
June	—	—	—	103.50

Estimated volume 293 (445)
Previous day's open int 916 (851)

U.S. TREASURY BONDS

	Close	High	Low	Prev
Dec	70-12	70-?	70-06	70-17
March	69-20	—	—	69-25

Estimated volume 1,767 (1,539)
Previous day's open int 2,177 (2,221)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
Dec	70-12	70-14	70-04	70-11
March	69-21	69-22	69-12	69-18
June	69-01	69-01	68-26	68-30
Sept	68-15	68-15	68-07	68-13
Dec	67-29	67-29	67-24	67-28
March	—	—	—	67-15
June	—	—	—	67-04
Sept	—	—	—	66-25
Dec	—	—	—	66-15
March	—	—	—	66-06
June	—	—	—	65-30

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Latest	High	Low	Prev
Dec	91.26	91.28	91.19	91.25
March	90.77	90.81	90.70	90.76
June	90.35	90.37	90.30	90.34
Sept	89.96	89.99	89.94	89.99
Dec	89.62	89.62	89.61	89.64
March	89.32	89.32	89.29	89.32
June	89.00	—	89.00	89.02
Sept	88.73	—	88.73	88.74

CERT. DEPOSIT (IMM) $1m points of 100%

	Latest	High	Low	Prev
Dec	90.42	90.49	90.38	90.43
March	89.92	89.97	89.86	89.93
June	89.46	89.53	89.45	89.52

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Latest	High	Low	Prev
Dec	90.03	90.10	89.99	90.04
March	89.51	89.61	89.48	89.56
June	89.09	89.16	89.06	89.12
Sept	88.68	88.75	88.65	88.71
Dec	88.29	88.31	88.25	88.32
March	87.91	87.92	87.90	87.96
June	87.58	87.58	87.58	87.60
Sept	87.25	—	—	87.28

STERLING (IMM) $e per £

	Latest	High	Low	Prev
Dec	1.2625	1.2670	1.2605	1.2680
March	1.2630	1.2695	1.2620	1.2690
June	1.2650	1.2690	1.2650	1.2710
Sept	1.2710	1.2710	1.2680	1.2725
Dec	1.2710	—	1.2710	1.2740

GNMA (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
Dec	68-13	68-13	68-07	68-10
March	67-20	67-20	67-13	67-17
June	—	—	—	66-30
Sept	—	—	—	66-17
Dec	66-04	66-04	66-00	66-05
March	—	—	—	65-25
June	65-17	65-17	65-18	65-14

Company Notice

NIPPON MEAT PACKERS, INC. (CDRs)

The undersigned announces that as from 21st November 1984 at Kas-Associatie N.V., Amsterdam and Kredietbank S.A. Luxembourgeoise in Luxembourg div.cp.no. 11 (accompanied by an "Affidavit") of the CDRs Nippon Meat Packers, Inc. will be payable with US$3.46 per CDR, repr. 100 shs. and with US$34.60 per CDR, repr. 1,000 shs. (div. per record date 31.07.1984; gross Yen 10.- p.sh.) after deduction of 15% Japanese tax Yen 150.- = $.61 per CDR, repr. 100 shs. and Yen 1,500.- = $6.10 per CDR, repr. 1,000 shs. Without an Affidavit 20% Japanese tax (= Yen 200.- = $.81 per CDR, repr. 100 shs. and Yen 2,000.- = $8.10 per CDR, repr. 1,000 shs.) will be deducted. After 28.02.1985 the dividend will only be paid under deduction of 20% Jap. tax with resp. $3.26 per CDR, repr. 100 shs. and with $32.60 per CDR, repr. 1,000 shs., in accordance with the Japanese tax regulations.

AMSTERDAM DEPOSITARY COMPANY N.V.
Amsterdam, 6th November 1984

Clubs

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for November 14.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
All Nippon Airways 14 94	100	108	108½	0	+0⅛	12.45
Amer Credit 12⅞ 89	150	101½	102	−0⅝	+0⅝	12.02
Austria Rep 13⅝ 92	100	107⅛	107⅝	+0⅛	+0¾	12.00
Bank of Tokyo 13⅞ 91	100	104⅝	105⅛	−0⅜	−0⅛	12.43
Caisse Nat Tele 13⅝ 91	100	100	105⅛	−0⅝	−0½	12.27
Canadian Pac 12½ 99	75	101½	102	−0⅛	+1⅛	12.23
Chevron U.S.A. 12¼ 89	800	109	109½	+0⅛	+0½	12.16
Coastled Int 12⅛ 89	125	100⅛	100⅝	−0⅛	+0⅝	12.00
Creditanstalt 13⅛ 01	100	102⅝	103⅛	−0⅛	+0½	12.41
Denmark Kingdom 13 91	100	102½	103	−0⅛	−0⅛	12.32
Denmark Kingdom 13⅛ 91	100	102½	103	−0⅛	+0⅛	12.61
Denmark 13⅞ 89 XW	103	104⅛	104⅝	−0⅜	+0⅛	12.38
Denmark Kingdom 14 91	109	104⅛	104⅝	−0⅛	−0⅝	12.94
[illegible]						

U.S. DOLLAR STRAIGHTS (continued)	Issued	Bid	Offer	Change on day	Change on week	Yield
World Bank 12⅞ 94	200	103¾	104¼	−0½	+0⅝	12.11
Yasuda Tst&Fin 12⅞ 89	100	99⅝	99⅞	−0⅞	+0⅛	12.44

Average price change On day −0⅛ on week +0⅛

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Allied Chemical 7½ 94	125	101	101¾	0	+0⅝	7.28
Amca Int'l 8⅛ 01	100	101	101¾	+0⅛	−1⅛	7.98
Asian Dev Bank 8 94	200	100¼	101¼	−0¼	0	7.81
Austria Republic 7⅝ 94	200	100½	101½	0	+0⅛	7.49
Baxter Travenol 7¼ 94	200	99⅞	100⅝	−0⅛	+0⅛	7.20
Credit National 8⅛ 94	200	103⅛	103⅞	0	−0½	7.58
Degussa Int Fin 7⅛ 94	100	103¾	104⅛	+0⅜	+1⅛	0.83
E.E.C. 8 92	200	102⅞	103½	+0⅛	−0⅞	7.48
E.I.B. 9 81	250	102⅞	103⅛	−0⅛	0	7.48
[illegible]						

Yen straights, other straights, Swiss franc straights, floating rate notes and convertible bonds: [illegible]

* No information available—previous day's price.
† Only one market maker supplied a price.

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OVER-THE-COUNTER

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CAPITAL MARKETS

Kredietbank makes Eurobond debut with C$75m issue

BY MAGGIE URRY IN LONDON

THE SPOTLIGHT was again on the non-dollar Eurobond market yesterday, while the dollar sector had a quiet day with prices falling by around ¼ point.

Kredietbank made its Eurobond debut with an issue in the Canadian dollar sector. Its success meant an increase in the afternoon from C$50m to C$75m. The seven-year bonds have a 12 per cent coupon and par issue price. The bonds were bid at 99⅝, well inside the 1¾ per cent selling concession. Swiss Bank Corp International is the book runner, with Kredietbank, Bank of America International and Orion Royal Bank.

The only dollar issue was a $400m floating rate note for Banque Nationale de Paris. The 15-year bonds pay interest at ⅛ per cent above the mean of six month London interbank bid and offered rate. BNP is lead manager with Credit Suisse First Boston as co-lead. The issue traded comfortably inside the 1 per cent front-end fees.

A floater was also launched in the European Currency Unit bond market. Lead managed by Bank of Tokyo International the issue raises Ecu 45m for the Spanish national railway Renfe. The bonds are guaranteed by Spain.

The 10-year bonds pay interest at ⅛ per cent over the six month London interbank offered rate and the issue price is par. Fees totalled ⅝ per cent, but the issue was well received and traded around par. The proceeds are being converted into pesetas. Co-lead is Banque Indosuez.

In the D-Mark sector Deutsche Bank is placing a DM 200m issue of seven-year bonds with a 7⅛ per cent coupon and 99¾ issue price. The terms are slightly tighter than Tuesday's World Bank issue.

There was little change in D-Mark bond prices, in listless trading. The recent bonds with equity warrants issued by Philips and SBC fell back yesterday.

In the Swiss franc sector UBS cut the indicated yield for the SwFr 100m private placement for Hitachi Cable from 2⅛ per cent to 2 per cent. The conversion premium was set at 5.6 per cent over the recent average share price.

Banque Gutzwiller is expected to announce details today of the issue for New Zealand Steel Development which was postponed in September.

Swiss franc bonds were unchanged also, though turnover was moderate.

Den norske Creditbank has cut the yield on the NKr 200m issue for Norske Data, by reducing the coupon from 10⅞ per cent to 10¼ per cent and raising the issue price from 100 to 100¾, reflecting strong demand for the issue. The bonds were bid yesterday at 100⅝.

Due today are the terms for the Asian Development Bank's Samurai issue which is expected to yield just over 7 per cent.

BHF Bank bond average			
Nov 14			Previous
102.014			102.141
High	1984		Low
102.141			98.056

Three-way option on CRA $400m loan

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

CRA, the Australian mining and natural resources company, is raising $400m through a 10-year borrowing in the Euromarket, led by Bank of America.

The deal will give the company, which is 52 per cent owned by RTZ of the UK, the choice of drawing funds in three different ways. It can sell Euronotes or long-term floating rate notes in the securities market; or it can call on participating banks to provide short-term advances at a margin of ⅜ per cent over Eurodollar rates.

Both the floating rate notes and the Euronotes, which will have a maximum yield of ⅜ per cent over Eurodollar rates, will be sold through a tender panel of banks and investment houses.

This is believed to be the first time a Euronote facility has been directly combined with a floating rate note issue, though the difference in this case is largely semantic as investors in the 10-year floating rate notes will have a put option allowing them to return the paper to underwriters each six months.

The distinction is, however, more important for CRA's balance sheet as it can treat sales of floating rate notes as long-term debt. Borrowing in the form of Euronotes counts as short-term debt as it can be repaid if the cash is not needed for the full life of the facility.

Others terms include a participation fee of ⅜ per cent on money raised through note sales and a commitment fee of ⅛ per cent on unused portions of the facility.

CRA will use the proceeds to refinance two existing floating rate notes totalling $400m. As a sign of the way in which borrowing for top-rated debtors is becoming inexorably cheaper, it has also asked banks to include a clause in the new deal allowing the conditions to be altered if market circumstances change.

Separately, Samuel Montagu said yesterday that it had launched a £200m, seven-year credit for London and Manchester Group, the British insurance concern. The credit will take the form of a transferable loan that can be sold in the secondary market even after the deal is completed.

London and Manchester (Mortgages), the affiliate which is raising the funds, will use the credit to refinance existing borrowings and develop its variable rate endowment mortgage lending business.

Bankers add that Samuel Montagu is also arranging an increase to £250m in its £133m bankers' acceptance facility for the Australian Wheat Board completed last year. This is the second increase in the deal which started out at only £33m.

French unit trust to focus on Ecu bonds

BY OUR EUROMARKETS STAFF

THE GROWING use of the European Currency Unit has prompted a French bank, Credit Chimique, to launch the first unit trust to invest in Ecu-denominated bonds, called Monceau Europe.

Credit Chimique, which although nationalised is effectively 100 per cent owned by the aluminium group Pechiney, already manages a number of unit trusts in France designed as a short-term parking place for companies' and investors' cash. Monceau Europe is expected to attract the same sort of investors.

As a basket of currencies the Ecu is less volatile than its individual currency members and so offers a more stable investment for multinational companies. The board of management of the new trust includes M Jacques Pillet, the director of the treasury and financing department of Saint-Gobain, the glass company which already does all its accounting in Ecus.

The trust's investment policy is to aim to achieve a yield in the form of a capital gain which will be superior to the interest paid on Ecu deposits for investments with a maturity between six months and two years. The trust's bearer shares are listed on the Luxembourg stock exchange.

There are now over 100 Ecu bonds outstanding with a total redemption value of close to Ecu 5bn.

WPPSS bondholders sue state for $7.25bn

BY PAUL TAYLOR IN NEW YORK

A COMMITTEE representing the interests of 12,000 investors who bought $2.5bn in municipal bonds issued to help pay for two cancelled Washington Public Power Supply System (WPPSS) nuclear power plants has sued Washington state for $7.25bn.

The massive suit is the latest legal action to result from the default last year by WPPSS – known as "whoops" – on the bond issue. It was the largest ever municipal bond default in the U.S. and has affected thousands of investors, many them private individuals.

The class action, filed by the WPPSS National Bondholders Committee, claims that Washington state has a "moral obligation" to pay up on the revenue bonds, which were issued with its approval.

The suit, which is being paid for by New York's Chemical Bank, the trustee for the bondholders, which has already launched a number of suits itself, also names other defendants, including Washington state's governor and lieutenant governor, the state auditor, both houses of the state legislature, the state's Senate majority leader and the speaker of the state house.

The $7.25bn claimed in damages comprises the face value of the bonds plus interest.

BASE LENDING RATES

A.B.N. Bank	10 %	■ Hill Samuel	§10 %
Allied Irish Bank	10 %	C. Hoare & Co.	†10 %
Amro Bank	10 %	Hongkong & Shanghai	10 %
Henry Ansbacher	10 %	Knowsley & Co. Ltd.	10½%
Armco Trust Ltd.	11 %	Lloyds Bank	10 %
Associates Cap. Corp.	10½%	Mallinhall Limited	10 %
Banco de Bilbao	10 %	Edward Manson & Co.	11½%
Bank Hapoalim	10 %	Meghraj and Sons Ltd.	10 %
BCCI	10 %	Midland Bank	10 %
Bank of Ireland	10 %	■ Morgan Grenfell	10 %
Bank of Cyprus	10 %	National Bk. of Kuwait	10 %
Bank of India	10 %	National Girobank	10 %
Bank of Scotland	10 %	National Westminster	10 %
Banque Belge Ltd.	10 %	Norwich Gen. Tst.	10 %
Barclays Bank	10 %	People's Tst. & Sv. Ltd.	11 %
Beneficial Trust Ltd.	11 %	R. Raphael & Sons	10 %
Brit. Bank of Mid. East	10 %	P. S. Refson	10 %
■ Brown Shipley	10 %	Roxburghe Guarantee	10½%
CL Bank Nederland	10 %	Royal Bk. of Scotland	10 %
Canada Perm'n't Trust	10 %	Royal Trust Co. Canada	10 %
Cayzer Ltd.	10 %	■ J Henry Schroder Wagg	10 %
Cedar Holdings	11 %	Standard Chartered	‖10 %
■ Charterhouse Japhet	10 %	Trade Dev. Bank	10 %
Choulartons	11½%	TCB	10 %
Citibank NA	10 %	Trustee Savings Bank	10 %
Citibank Savings	¶11½%	United Bank of Kuwait	10 %
Clydesdale Bank	10 %	United Mizrahi Bank	10 %
C. E. Coates & Co. Ltd.	11 %	Westpac Banking Corp.	10 %
Comm. Bk. N. East	10 %	Whiteaway Laidlaw	10½%
Consolidated Credits	10½%	Williams & Glyn's	10 %
Co-operative Bank	*10 %	Wintrust Secs. Ltd.	10 %
The Cyprus Popular Bk.	10 %	Yorkshire Bank	10 %
Dunbar & Co. Ltd.	10 %		
Duncan Lawrie	10 %		
E. T. Trust	11 %		
Exeter Trust Ltd.	10½%		
First Nat. Fin. Corp.	12½%		
First Nat. Secs. Ltd.	12 %		
■ Robert Fleming & Co.	10 %		
Robert Fraser & Ptns.	10½%		
Grindlays Bank	‡10 %		
■ Hambros Bank	10 %		
Heritable & Geo. Trust	10 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 6.75%. 1 month 7.50%. Fixed rate 12 months £2,500 7.5% £10,000, 12 months 8.00%.
† 7-day deposits on sums of under £10,000 6¾%, £10,000 up to £50,000 7¼%, £50,000 and over 8½%.
‡ Call deposits £1,000 and over 6¾%.
‖ 21-day deposits over £1,000 7¾%.
§ Demand deposits 6¾%.
¶ Mortgage base rate.